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TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1956

No. 810

FOURCO GLASS COMPANY, PETITIONER,

vs.

TRANSMIRRA PRODUCTS CORPORATION AND ROBERT ARONSTEIN

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

PETITION FOR CERTIORARI FILED AUGUST 13, 1956
CERTIORARI GRANTED OCTOBER 8, 1956

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, PETITIONER,

vs.

TRANSMIRRA PRODUCTS CORPORATION AND ROBERT ARONSTEIN

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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[fols. 1-2]

IN UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF NEW YORK

Civ. 98-311

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN,
Plaintiffs

against

FOURCO GLASS CO., Defendant

OPINION, ORDER AND JUDGMENT BELOW.—August 5, 1955

APPEARANCES:

Aronstein & Aronstein, of New York, N. Y., Attorneys for Plaintiffs, Robert Aronstein, William B. Aronstein, of Counsel.

Robert E. Burns, of New York, N. Y., Attorney for Defendant, Edward S. Irons, of Washington, D. C., of Counsel.

DAWSON, D. J.:

This is a motion under Rule 12(b)(3) to dismiss the action because of improper venue. The action is one for patent infringement.

The venue for patent infringement actions is specified in § 1400(b) of Tit. 28 U. S. C. as follows:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business. June 25, 1948, c. 646, 62 Stat. 936."

[fol. 3] (150) The defendant is a West Virginia corporation. It maintains a sales office in this district and by the regular and continuous course of activity in that office, it may be said to have a regular and established place of business in this district.

The defendant urges that (1) it does not reside in this district, and (2) although it may have a regular and estab-

lished place of business in the district, it has not committed acts of infringement in the district.

For the purposes of this statute, "residence" of a corporation is the state of its incorporation. The mere fact that a corporation is licensed to do business in a state, other than the state of its incorporation, or is doing business in such state, does not make it a resident of the latter state. Whatever may be thought of decisions to the contrary,* the weight of authority would seem to agree with the decison to this effect in *C-O Two Fire Equipment Co.* v. *Barnes*,** which was affirmed by the Supreme Court by an equally divided court. (151) Therefore, venue could properly be laid in this district only if it is a district where defendant has a regular and established place of business *and* has committed acts of infringement.***

[fol. 4] The papers submitted on the motion adequately establish that the defendant has a regular and established place of business in the district. However, there are no facts in the motion papers from which the Court can conclude that defendant has committed acts of infringement in the district. Such acts of infringement, under the circumstances, would be a prerequisite to the establishment of proper venue in this district.

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* *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469 (C. A. 5, 1952); *Farr* v. *Gratiot*, 92 F. Supp. 320 (S. D. Cal., 1950); *Gunberson Corp.* v. *Garrett Oil Tools*, 205 F. 2d 660 (C. A. 5, 1953).

** 194 F. 2d 410 (C. A. 7, 1952), aff'd 344 U. S. 861 (1952); see *Gulf Research & Development Co.* v *Schlumberger Well Surveying Corp.*, 92 F. Supp. 16 (S. D. Cal., 1950); mandamus denied 183 F. 2d 457. On transfer to another district, the second court refused to review the decision, 98 F. Supp. 198 (D. Del., 1951); mandamus denied 193 F. 2d 302 (C. A. 3, 1951), affirmed by an equally divided court, 344 U. S. 861 (1952).

*** *Transmirra Products Corp.* v. *Magnavox Co.*, 110 F. Supp. 676 (S. D. N. Y., 1953); *Jones* v. *R. C. A.*, 129 F. Supp. 440 (S. D. N. Y., 1955); *Rava* v. *Westinghouse El. Corp.*, 90 F. Supp. 707 (S. D. N. Y., 1950).

The complaint alleges:

> "Upon information and belief that defendant has been and still is infringing said Letters Patent by making, selling or using television receivers, television cathode ray receiving tubes or other devices embodying the patented invention owned by the plaintiff, Robert Aronstein, within the Southern District of New York or has been actively inducing infringement of said Letters Patent within the Southern District of New York or has contributed to the infringement of said Letters Patent within the Southern District of New York, and will continue so to do unless enjoined by this Court."

There is no indication from the motion papers that the defendant makes or sells, either in this district or elsewhere, television receivers, television cathode ray receiving tubes or devices embodying the alleged patented invention of the plaintiff; in fact, the papers indicate distinctly to the contrary. In the (152), brief of plaintiff submitted on this motion, plaintiff's counsel makes the statement that plaintiffs are not able to directly trace the sale of any particular television set within this district containing the alleged infringing product of defendant. They urge, however, that defendant may be guilty of contribu- [fol. 5] tory infringement because in answers to interrogatories in a separate suit pending in this Court, *Transmirra Products Corp. and Robert Aronstein v. Radio Corporation of America*, Civ. 67-129, Radio Corporation of America, in answer to an interrogatory as to firms or corporations cooperating with that defendant "who were in any way connected with the development or manufacture of the filter face of the cathode ray tube known as 'RCA Filterglass', as manufactured, sold or distributed" by that defendant, answered, among others: "Fourco Glass Company, Union National Bank Building, Clarksburg, West Virginia."

There is no indication that any such actions of Fourco Glass Company; even if they constituted contributory infringement, took place other than at the principal office of Fourco Glass Company in Clarksburg, West Virginia.

Plaintiff has had plenty of time to secure any information which it may wish to secure on this situation. Defendant's motion to dismiss was first filed on March 23, 1955. Subsequent thereto, plaintiff submitted two sets of interrogatories which have been answered, and plaintiff has taken (153) the deposition of the Eastern Sales Manager of the defendant. When the motions came upon the calendar and plaintiff stated that it needed more detailed answers to its interrogatories or wished the right to take the deposition of the defendant by oral examination, the motion was delayed for such purposes.

It appears, therefore, that plaintiff has been unable to secure any information which might lead in any way to a conclusion that the defendant has been guilty of infringement or contributory infringement in this district. In an action of this nature, plaintiff has the burden of showing jurisdiction. *Rava* v. *Westinghouse El. Corp., supra.* This it has not done.

[fols. 6-63] Complaint

The motion to dismiss the action for lack of venue is granted. So ordered.

Dated: New York, N. Y., August 5, 1955.

Archie O. Dawson, U. S. D. J.

Judgment entered: 8-5-55.

William J. Connell, Clerk.

[fol. 64] IN UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT, OCTOBER TERM, 1955

No. 315

Argued: April 12, 1956

Docket No. 23836

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN, Plaintiffs-Appellants,

v.

FOURCO GLASS CO., Defendant-Appellee.

Before: CLARK, Chief Judge, and HINCKS and LUMBARD, Circuit Judges.

Appeal from the United States District Court for the Southern District of New York, Archie O. Dawson, *Judge*.

Transmirra Products Corp. and Robert Aronstein appeal from the dismissal for lack of venue of their action for patent infringement upon motion of defendant, Fourco Glass Co., D. C. S. D. N. Y., 133 F. Supp. 531. Reversed and remanded.

[fol 65] Stanley N. Ohlbaum, New York City (Aronstein & Aronstein, Robert Aronstein, and William B. Aronstein, New York City, on the brief), for plaintiffs-appellants.

Vernon H. Doane, Washington, D. C. (Robert E. Burns, New York City, and Edward S. Irons, James P. Burns, and Charles B. Johnson, Washington, D. C., on the brief), for defendant-appellee.

OPINION—May 14, 1956

CLARK, *Chief Judge*:

Plaintiff's appeal from the dismissal, for want of venue in the court below, of their action for patent infringement brought against a West Virginia corporation. In granting the defendant's motion to dismiss, Judge Dawson ruled that plaintiffs had shown no acts of infringement committed by the defendant in the Southern District of New York, although he did point out that it maintains a sales office

in the district and by the regular and continuous course of activity there may be said to have a regular and established place of business therein. D. C. S. D. N. Y., 133 F. Supp. 531. Since, disagreeing with the judge's interpretation of the governing legislation, we hold that the defendant "resided" in the district within the applicable statutory definition of venue, we shall not consider his ruling with respect to the absence of local acts of infringement.

The governing statutes here, found in Chapter 87 of Title 28 U. S. Code entitled, "District Courts; Venue," are the ones dealing with "Venue generally" and with "Patents and copyrights." From the first we have the provision:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business [fol. 66] or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes." 28 U. S. C. § 1391(c).

And from the second we have the following:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business." 28 U.S.C. § 1400(b).

As was held with respect to earlier legislation, the second provision should control here. *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561. Even so, that requires but the insertion in it of the definition of corporate residence from the first provision [1]—just as that definition is properly to be incorporated into other sections of the venue chapter, *e.g.*, §§ 1392, 1393, 1395, 1396, 1397, 1400, etc.[2] Hence the

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[1] As the Reviser's Note to § 1400(b) indeed suggests, in pointing out the identity of "resident" with "inhabitant" of the former law and making a specific cross-reference to the like explanation in the Note to § 1391.

[2] See discussion in the Note cited in the text *infra*, 56 Col. L. Rev. 394, 412, 413 (1956), also analyzing acutely other special venue provisions, including that of the Jones Act,

plain meaning of the two statutes, when read together, would be that this defendant may be sued in New York, where it "is doing business."

Such, we think, is the proper interpretation of the legislative mandate, fortified, indeed, upon consideration of the background and general purpose of the 1948 statutory revi- [fol. 67] sion. But there has arisen a serious difference of opinion, many eminent judges reading the statutes as intending no change in the former law, wherein the corporation was an "inhabitant" only of its state of incorporation. Able exponents of this view are Chief Judge Phillips in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, with Judge Huxman dissenting, and Chief Judge Major in *C-O-Two Fire Equipment Co.* v. *Barnes*, 7 Cir., 194 F. 2d 410, with Judge Lindley dissenting, affirmed by an equally divided court, *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U. S. 861; see also *Ackerman* v. *Hook*, 3 Cir., 183 F. 2d 11. Opposed and expressing the view with which we agree are *Dalton* v. *Shakespeare Co.*, 5 Cir., 196 F. 2d 469, and *Guiberson Corp.* v. *Garrett Oil Tools*, 5 Cir., 205 F. 2d 660, certiorari denied 346 U. S. 886,[3] as well as the text writers in

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46 U. S. C. § 688, permitting suits in the district in which the defendant employer resides or in which his principal office is located. "Since the doing business test of section 1391 (c) defines residence, can it be applied here when to do so would make superfluous the last clause of the special provision? The decisions are uniform in holding that it can." 56 Col. L. Rev. 394, 413 (1956), citing cases.

[3] The cases cited do not exhaust the judicial precedents, for there are several district court decisions also divided. Compare, e.g., *Farr Co.* v. *Gratiot*, D. C. S. D. Cal., 92 F. Supp. 320, per Hall, *J.*, for the construction stated in the text, and *Pierce* v. *Perlite Aggregates, Inc.*, D. C. N. D. Cal., 110 F. Supp. 684, per Lemmon, *J.* opposed. The case of *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, D. C. S. D. Cal., 92 F. Supp. 16, per Harrison, *J.*, also opposed, had a checkered career, as its transfer to Delaware, D. C. S. D. Cal., 10 F. R. D. 353, was unsuccessfully opposed by mandamus—a remedy refused because of lack of extraordinary circumstances. *Gulf Re-*

general. See Note, *Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts*, 56 Col. L. Rev. 394, 413-416 (1956); 47 Nw. L. Rev. 699-705 (1952); 21 Geo. Wash. L. Rev. 610 (1953); Seidel, *Venue in Patent Litigation*, 22 Geo. Wash. L. Rev. 682, 697 (1954); 3 Moore's Federal Practice 2139, 2140 (2d Ed. 1948); Moore's Commentary on the U. S. Judicial Code 178, 179, 184, 185 (1949).

[fol. 68] The stated reason chiefly relied on for the judicial conservatism thus displayed, namely, that the revision of Title 28 was often declared by those participating to be in the main declaratory only, without change of substance, can properly apply only where there was not change of substance; correctly understood in the light of the background of the revision, it here actually cuts the other way. For, as is well understood, an editorial staff from two law publishing firms did the initial task of revision for the legislative committee and naturally limited its work to revision proper. But, as also well understood, various suggestions coming from the staff or special consultants or scholars were adopted and, where occurring, made sharp breaks with the past. This is developed with extraordinary complete documentation by Chief Justice Vinson in a case so analogous as to be authoritative here. *Ex parte Collett*, 337 U. S. 55, 61-71, 10 A. L. R. 2d 921, upholding the general applicability of another provision of this Venue chapter, 28 U. S. C. § 1404(a), providing for a change of venue for the convenience of parties and witnesses. In fact the same idea is expressly stated or conceded, under the rubric, applying to situations "which would not yield to codification," of "a few such changes, substantive in nature," by Chief Reviser Barron, in his quoted article, *The Judicial Code: 1948 Revision*, 8 F. R. D. 439, 441.[4] Among such im-

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search & Development Co. v. *Harrison*, 9 Cir., 185 F. 2d 457; *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp., D. C. Del.*, 98 F. Supp. 198, per Leahy, *J.*; *Gulf Research & Development Co.* v. *Leahy*, 3 Cir., 193 F. 2d 302, affirmed by an equally divided court, 344 U. S. 861.

[4] Cited and quoted in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, though *Ex parte Collett*, 337 U. S. 55, 10 A. L. R. 2d 921, is not. The *Ruth* case also quotes similar

[fol. 69] portant changes, that making corporations suable where they do business is of course outstanding.

The rationale of this sharp break with ancient formulae is quite obviously a response to a general conviction that it was "intolerable if the traditional concepts of 'residence' and 'presence' kept a corporation from being sued wherever it was creating liabilities." See the Note cited *supra*, 56 Col. L. Rev. 394, at 395 (1956). As this authority points out, the particular attack on the problem here is in terms of venue, with which is allied the issue of personal jurisdiction over corporations.[5] But, as we know, the ramifications are yet more general; for there have long been debated proposals to substitute for the famous fiction making a corporation a citizen or inhabitant of the perhaps remote state of its incorporation the more realistic test for substantive jurisdiction itself of the place or places of corporate activity or doing business. See Frankfurter, *J.*, in *Lumbermen's Mutual Casualty Co.* v. *Elbert*, 348 U. S. 48, 56, discussing, *inter alia*, the proposals of that distinguished lawyer and statesman, the late Attorney General Mitchell; and see in detail, McGovney, *A Supreme Court Fiction*, 56 Harv. L. Rev. 853, 1090, 1225, 1231-1238, 1251, 1252 (1943). So extensive has been the dispute, so volumi-

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generalities from Professor Moore, apparently overlooking his specific views adverse to that decision, as noted in, *e.g.*, 56 Col. L. Rev. 394, at 414, and cited in the text. Unfortunate consequences of too restricted a construction of the new revision have also appeared elsewhere. See *Telechron, Inc.* v. *Parissi*, 2 Cir., 197 F. 2d 757, 761, overruling the narrow construction of *Kleinman* v. *Betty Dain Creations*, 2 Cir., 189 F. 2d 546, of the "pendent jurisdiction" provisions of 28 U. S. C. § 1338(a) with respect to claims of unfair competition; and see also Note, *Curtailing the Scope of 1404-A—Round Two*, 60 Yale L. J. 183-188.

[5] The suggestion found, as in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 573, that § 1391 (c) but writes into the venue section the effect of *Neirbo Co.* v. *Bethlehem Shipbuilding Corp.*, 308 U. S. 165, 128 A. L. R. 1437, as to waiver of venue is obviously inadequate as an explanation; the change is perfectly consistent with the *Neirbo* decision, but goes much beyond it.

nous the literature, that even partial steps to correct what has been so thoroughly and exhaustively condemned as unjust would seem deserving of support. No reason appears, therefore, why we should strain to discover unex- [fol. 70] pressed exceptions to this beneficial principle, which could so easily have been expressed, had they been intended.[6]

Moreover, recognition of such exceptions is unreasonable, since all the grounds supporting the general rule appear fully as applicable to all the special cases, including patent infringement.[7] And it presents a really acute problem as to how far such special exceptions should themselves be extended. It does seem odd drafting, to say the least, to add after a general and unlimited defining statute a series of eight or ten exceptions—all unexpressed as such, but each destroying the generality of the first provision. For precisely the same problem can be raised—even though this does not seem to have been generally perceived—as to the series of special venue statutes in this chapter, as well as those elsewhere stated, such as seamen's suits under the Jones Act.[8] It hardly seems possible—and the cases do not support the view—that Congress intended any such inroad on its general principle as to take out all these situations; nor is there any ground for distinguishing between, e.g., claims for patent infringement, for unfair competition, or for violation of the antitrust laws, which might properly come up in a single suit and be conveniently disposed of together. We conclude with the text writers that the general definition of corporate residence applies here also.

We should notice a final argument occasionally made, that

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[6] Note that in the earlier subdivisions of § 1391, viz., (a) and (b), specific exceptions are made for other provisions of the law.

[7] However exclusive it may be, the patent jurisdiction statute itself, § 1400(b), did bring in a new concept making the place of the wrong important. See *Stonite Products Co. v. Melvin Lloyd Co.*, 315 U.S. 561. This hardly suggests special privileges for patent infringers.

[8] As explained in footnote 2 *supra*.

the construction supported by plaintiffs will render the sec- [fol. 71] ond alternative of § 1400 (b) of no practical utility. Having in mind the manner in which the new Code was prepared, as stated above, it seems doubtful if any deduction of importance is to be drawn from the mere circumstance of continuance of provisions useful in the earlier legislation, 28 U.S.C. former § 109; and no such deduction has been made with reference to the provision for venue of cases under the Jones Act, as we have seen.[9] But it is quite clear that this alternative provision does have a sphere of decided usefulness in litigation against non-corporate defendants, and some provision of this nature was imperative. 56 Col. L. Rev. 394, 415 (1956).[10]

Because its literal wording thus coincides with the legislative purpose, viewed in historical perspective, to support a patent infringement suit where the venue is laid in the federal district in which the corporate defendant is doing business, the judgment below must be reversed and the action remanded for further proceedings not inconsistent with this opinion.

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[9] See footnotes 2 and 8 accompanying text *supra*.

[10] Even for corporate defendants, the two provisions are not identical; and "having a regular and established place of business" may not always be synonymous or coextensive with "doing business."

[fol. 72] IN UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Present: Hon. Charles E. Clark, Chief Judge, Hon. Carroll C. Hincks, Hon. J. Edward Lumbard, Circuit Judges.

TRANSMIRRA PRODUCTS CORP. AND ROBERT ARONSTEIN,
Plaintiffs-Appellants

v.

FOURCO GLASS CO., Defendant-Appellee

JUDGMENT—May 14, 1956

Appeal from the United States District Court for the Southern District of New York.

This cause came on to be heard on the transcript of record from the United States District Court for the Southern District of New York, and was argued by counsel.

On consideration whereof, it is now hereby ordered, adjudged and decreed that the judgment of said District Court be and it hereby is reversed and action remanded in accordance with the opinion of this Court; with costs taxed in favor of the appellant.

A. Daniel Fusaro, Clerk.

[fol. 73] [File endorsement omitted].

[fol. 74] Clerk's Certificate to foregoing transcript omitted in printing.

[fol. 75] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, Petitioner

vs.

TRANSMIRRA PRODUCTS CORPORATION and ROBERT ARONSTEIN

ORDER ALLOWING CERTIORARI—Filed October 8, 1956

The petition herein for a writ of certiorari to the United States Court of Appeals for the Second Circuit is granted.

And it is further ordered that the duly certified copy of the transcript of the proceedings below which accompanied the petition shall be treated as though filed in response to such writ.

PETITION FOR A WRIT OF CERTIORARI

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN,
Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No.

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN, *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled case on May 14, 1956.

CITATIONS TO OPINIONS BELOW

The opinion of the District Court (R. 2a) is reported at 133 F. Supp 531 (S.D. N.Y. 1955). The opinion of the Circuit Court of Appeals (R. 64a) is printed in Appendix B hereto, *infra*, page 2a, and is reported at F. 2d . , 109 U.S.P.Q. 325 (2d Cir., 1956).

JURISDICTION

The judgment of the Circuit Court of Appeals was entered on May 14, 1956 (R. 62a). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

QUESTION PRESENTED

Whether the 1948 revision of the Judicial Code (Act of June 25, 1948, c. 646, 62 Stat. 869-994) changes the law and enlarges the permissible venue for patent infringement actions against corporate, as distinguished from non-corporate, defendants to permit a patent suit against a corporation in a judicial district where the corporation has not infringed and is not incorporated, but where it is merely doing business.

STATUTES INVOLVED

The statutory provisions involved, Sections 1338(a), 1391(c) and 1400(b) of Title 28 of the United States Code, are printed in Appendix A hereof, *infra*, page 1a.

STATEMENT

On February 3, 1955, respondents, Transmirra Products Corporation and Robert Aronstein, filed a complaint alleging infringement of Aronstein Patent No. 2,461,464, by petitioner, Fourco Glass Company. The jurisdiction of the District Court was invoked by respondents under 28 U.S.C. § 1338(a), because the case is one arising under the patent laws. On March 23, 1955, petitioner filed a motion to dismiss for want of proper venue.

Venue in patent infringement cases is controlled by 28 U.S.C., § 1400(b), which specifies that any civil action for patent infringement may be brought in the judicial district

(a) Where the defendant resides, or

(b) where the defendant has committed acts of infringement *and* has a regular and established place of business.

Petitioner moved to dismiss for the reason that neither of the alternative prerequisites of Title 28, § 1400(b) above set forth were satisfied. Specifically, petitioner's motion to dismiss was bottomed on the premises:

(a) that petitioner is a West Virginia corporation, and, hence, does not, within the meaning of Title 28, § 1400(b), reside within the Southern District of New York, where the complaint was filed, and

(b) that the petitioner had not committed acts of infringement within the Southern Judicial District of New York, as required by the second alternative of Title 28, § 1400(b).

Petitioner acknowledged that it had a place of business in New York City.

Respondents' contention was that the 1948 revision of the Judicial Code changes the law and enlarges the permissible venue for patent infringement actions against corporate defendants to the extent that § 1400 (b) is no longer the *exclusive* patent venue statute, but has incorporated therein the provision of the general venue § 1391(c), which specifies that a corporation may be sued in any judicial district in which it is merely doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

On August 5, 1955, after a full hearing on the merits, held July 26, 1955, the District Court entered judg-

ment granting petitioner's motion to dismiss for want of venue (R. 6a). The District Court, in its opinion, recognized that petitioner was doing business within the Southern District of New York, but ruled, in accordance with the weight of authority, that venue was improper for the reasons advanced by petitioner.

On August 29, 1955, respondents noted an appeal from the judgment of the District Court dismissing the complaint for want of venue.

On December 14, 1955, respondents filed in the Court below a motion to vacate and remand under Rule 60(b) of the Federal Rules of Civil Procedure (R. 23a). After a hearing on February 6, 1956, respondents' motion under Rule 60(b) was found to be without merit and was denied on February 14, 1956 (R. 62a).

After a hearing on April 12, 1956, the Court below entered judgment on May 14, 1956 (R. 72a), reversing the District Court and finding that venue was proper in accordance with respondents' contention with respect to enlargement by the 1948 revision of the Judicial Code of the permissible venue in patent infringement cases against corporate defendants. Specifically, the Court of Appeals, in its opinion, stated:

> "Plaintiffs appeal from the dismissal, for want of venue in the court below, of their action for patent infringement brought against a West Virginia corporation. In granting the defendant's motion to dismiss, Judge Dawson ruled that plaintiffs had shown no acts of infringement committed by the defendant in the Southern District of New York, although he did point out that it maintains a sales office in the district and by the regular and continuous course of activity there may be said to have a regular and established place of business therein. D.C. S.D. N.Y., 133 F.

Supp. 531. Since, disagreeing with the judge's interpretation of the governing legislation, we hold that the defendant 'resided' in the district within the applicable statutory definition of venue, we shall not consider his ruling with respect to the absence of local acts of infringement."

REASONS FOR GRANTING THE WRIT

1. The decision of the Court below is directly in conflict with (a) the decision of the Tenth Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572 (10th Cir., 1955), printed in Appendix C, *infra*, page 9a, and (b) the decision of the Seventh Circuit Court of Appeals in *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (7th Cir., 1952).

Quite significantly, the specific conflicts above identified are, in actuality, mere isolated instances of widespread conflict which exists in the federal judicial system with respect to the question presented by this petition.

The Court below, in its opinion, recognized that its decision is in conflict with decisions of many federal courts rendered by eminent jurists. Specifically, the lower Court stated with respect to the question presented by this petition:

> ". . . But there has arisen a serious difference of opinion, many eminent judges reading the statutes as intending no change in the former law, wherein the corporation was an 'inhabitant' only of its state of incorporation. Able exponents of this view are Chief Judge Phillips in Ruth v. Eagle-Picher Co., 10 Cir., 225 F. 2d 572, with Judge Huxman dissenting, and Chief Judge Major in C-O-Two Fire Equipment Co. v. Barnes, 7 Cir., 194 F. 2d 410, with Judge Lindley dissenting, affirmed by an equally divided court,

Cardox Corp. v. C-O-Two Fire Equipment Co., 344 U.S. 861; see also Ackerman v. Hook, 3 Cir., 183 F. 2d 11. Opposed and expressing the view with which we agree are Dalton v. Shakespeare Co., 5 Cir., 196 F. 2d 469, and Guiberson Corp. v. Garrett Oil Tools, 5 Cir., 205 F. 2d 660, certiorari denied 346 U.S. 886,[3] as well as the text writers in general. See Note, Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts, 56 Col. L. Rev. 394, 413-416 (1956); 47 Nw. L. Rev. 699-705 (1952); 21 Geo. Wash. L. Rev. 610 (1953); Seidel, Venue in Patent Litigation, 22 Geo. Wash. L. Rev. 682, 697 (1954); 3 Moore's Federal Practice 2139, 2140 (2d Ed. 1948); Moore's Commentary on the U.S. Judicial Code 178, 179, 184, 185 (1949)."

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[3] "The cases cited do not exhaust the judicial precedents, for there are several district court decisions also divided. Compare, e.g., Farr Co. v. Gratiot, D.C.S.D. Cal., 92 F. Supp. 320, per Hall, J., for the construction stated in the text, and Pierce v. Perlite Aggregates, Inc., D.C.N.D. Cal., 110 F. Supp. 684, per Lemmon, J., opposed. The case of Gulf Research & Development Co. v. Schlumberger Well Surveying Corp., D.C.S.D. Cal., 92 F. Supp. 16, per Harrison, J., also opposed, had a checkered career, as its transfer to Delaware, D.C.S.D. Cal., 10 F.R.D. 353, was unsuccessfully opposed by mandamus—a remedy refused because of lack of extraordinary circumstances. Gulf Research & Development Co. v. Harrison, 9 Cir., 185 F. 2d 457; Gulf Research & Development Co. v. Schlumberger Well Surveying Corp., D.C. Del., 98 F. Supp. 198, per Leahy, J.; Gulf Research & Development Co. v. Leahy, 3 Cir., 193 F. 2d 302, affirmed by an equally divided court, 344 U.S. 861."

In addition to the decisions enumerated in the foregoing quotation, the following District Court decisions, in *conflict* with the decision of the Court below in this case, have ruled that the 1948 revision of the Judicial Code did not enlarge the permissible venue for patent infringement actions against corporate defendants

and, hence, the question presented by this petition should be answered in the negative:

Jones v. *R.C.A.*, 129 F. Supp. 440 (S.D. N.Y. 1955)

Transmirra Products Corp. v. *Magnavox Co.*, 110 F. Supp. 676 (S.D. N.Y. 1953)

Rava v. *Westinghouse Electric Corp.*, 90 F. Supp. 707 (S.D. N.Y. 1950)

Nachtman v. *Jones & Laughlin Steel Corp.*, 90 F. Supp. 739 (D.C. D.C. 1950)

Fisher v. *Karl*, 84 F. Supp. 53 (E.D. N.Y. 1949)

Curtis v. *Madovoy*, 84 F. Supp. 637 (E.D. N.Y. 1949)

Arkay Infants Wear Inc. v. *Kline's Inc.*, 85 F. Supp. 98 (W.D. Mo. 1949)

Kamkap, Inc. v. *The Worldsbest Industries, Inc.*, F. Supp. , 110 U.S.P.Q. 229 (S.D. N.Y. 1956)[1]

The District Court for the District of Massachusetts, in a decision rendered subsequent to the decision of the Court below, in conformity therewith, answered the question presented by this petition in the affirmative in *Denis et al* v. *Perfect Parts, Inc., et al*, ... F. Supp. ...., 109 U.S.P.Q. 373 (D. Mass. 1956).

The issue presented by this petition was previously before this Court in the cases of *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U.S. 861, 73 S. Ct. 102 (1952),[2] and *Gulf Research & Development Co.* v.

[1] This case was decided on May 8, 1956. The decision of the Court below in the case at bar was rendered on May 14, 1956.

[2] This case was considered on certiorari to review the decision of the Seventh Circuit Court of Appeals in *C-O-Two Fire Equipment Co.* v. *Barnes*, *supra*, page 5.

Leahy, 344 U.S. 861, 73 S. Ct. 102 (1952). This Court, being equally divided, affirmed on the same day both of the lower Court decisions, which, *contrary* to the holding of the Court below in the instant case, decided the question presented by this petition in the negative. Such affirmance, of course, has no significance as a precedent.

The decision of the 10th Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, *supra*, was rendered *subsequent* to the ruling of this Court in the *Cardox* and *Gulf* cases.

2. The decision of the Court below is in conflict with the decision of this Court in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780 (1942).

In the *Stonite* case, this Court held that the special patent venue statute "is the exclusive provision controlling venue in patent infringement proceedings".[3] The Court below expressly recognized that its decision could be supported only by "insertion in" 28 U.S.C. § 1400(b), the special patent venue statute, "of the definition of corporate residence" from 28 U.S.C. § 1391(c), the general corporate venue statute (R. 66a). In so holding, the Court below refused to follow the mandate of this Court in the *Stonite* case that the special patent venue statute is the *exclusive* provision controlling venue in patent infringement cases.

3. The extent of the existing conflict demonstrates the major importance of the question presented by this petition in the administration of the patent laws. The

[3] Although the decision in the *Stonite* case was based on a prior Act, 28 U.S.C. § 109, the rationale remains the same under § 1400(b) of Title 28.

overwhelming majority of patent infringement suits involve corporate defendants. The federal courts are in hopeless conflict on the question of where venue can properly be laid in such litigation. An authoritative ruling on the question by this Court is plainly in the public interest, and is required to insure an orderly administration of justice.

4. Although the judgment of the Court below is not a final one, it is appropriate for review, since the venue issue is fundamental to the further conduct of the case. *Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 69 S. Ct. 1457 (1949); *Land* v. *Dollar*, 330 U.S. 731, 67 S. Ct. 1009 (1947); *U. S.* v. *General Motors Corp.*, 323 U.S. 373, 377, 65 S. Ct. 357, 359 (1945).

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

EDWARD S. IRONS
Counsel for Petitioner

Of Counsel

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HAROLD J. BIRCH
WILLIAM W. BECKETT
BURNS, DOANE, BENEDICT & IRONS

APPENDIX A

(Portions of Revised Title 28, U. S. Code)

Section 1338: Patents, Copyrights, Trade-marks, and Unfair Competition.

"(a) The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, copyrights and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent and copyright cases."

Section 1391: Venue Generally.

"(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except as otherwise provided by law, be brought only in the judical district where all plaintiffs or all defendants reside.

"(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial dictrict where all defendants reside, except as otherwise provided by law.

"(c) A corporation may be sued in any judicial district in which is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

"(d) An alien may be sued in any district. June 25, 1948, c. 646, 62 Stat. 935."

Section 1400: Patents and Copyrights.

"(a) Civil actions, suits, or proceedings arising under any Act of Congress relating to copyrights may be instituted in the district in which the defendant or his agent resides or may be found.

"(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business. June 25, 1948, c. 646, 62 Stat. 936."

APPENDIX B

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Argued April 12, 1956 Decided May 14, 1956

No. 315—October Term, 1955.

Docket No. 23836

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN,
Plaintiffs-Appellants,

v.

FOURCO GLASS CO.,
Defendant-Appellee.

Before:

CLARK, *Chief Judge,* and HINCKS and LUMBARD,
Circuit Judges.

Appeal from the United States District Court for the Southern District of New York, Archie O. Dawson, *Judge.*

Transmirra Products Corp. and Robert Aronstein appeal from the dismissal for lack of venue of their action for patent infringement upon motion of defendant, Fourco Glass Co., D. C. S. D. N. Y., 133 F. Supp. 531. Reversed and remanded.

STANLEY N. OHLBAUM, New York City (Aronstein & Aronstein, Robert Aronstein, and William B. Aronstein, New York City, on the brief), *for plaintiffs-appellants.*

VERNON H. DOANE, Washington, D. C. (Robert E. Burns, New York City, and Edward S. Irons, James P. Burns, and Charles B. Johnson, Washington, D. C., on the brief), *for defendant-appellee.*

CLARK, *Chief Judge:*

Plaintiffs appeal from the dismissal, for want of venue in the court below, of their action for patent infringement brought against a West Virginia corporation. In granting the defendant's motion to dismiss, Judge Dawson ruled that plaintiffs had shown no acts of infringement committed by the defendant in the Southern District of New York, although he did point out that it maintains a sales office in the district and by the regular and continuous course of activity there may be said to have a regular and established place of business therein. D. C. S. D. N. Y., 133 F. Supp. 531. Since, disagreeing with the judge's interpretation of the governing legislation, we hold that the defendant "resided" in the district within the applicable statutory definition of venue, we shall not consider his ruling with respect to the absence of local acts of infringement.

The governing statutes here, found in Chapter 87 of Title 28 U. S. Code entitled, "District Courts; Venue," are the ones dealing with "Venue generally" and with "Patents and copyrights." From the first we have the provision:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes." 28 U. S. C. § 1391(c).

And from the second we have the following:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant

resides, or where the defendant has committed acts of infringement and has a regular and established place of business." 28 U. S. C. § 1400(b).

As was held with respect to earlier legislation, the second provision should control here. *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U. S. 561. Even so, that requires but the insertion in it of the definition of corporate residence from the first provision[1]—just as that definition is properly to be incorporated into other sections of the venue chapter, *e.g.*, §§ 1392, 1393, 1395, 1396, 1397, 1400, etc.[2] Hence the plain meaning of the two statutes, when read together, would be that this defendant may be sued in New York, where it "is doing business."

Such, we think, is the proper interpretation of the legislative mandate, fortified, indeed, upon consideration of the background and general purpose of the 1948 statutory revision. But there has arisen a serious difference of opinion, many eminent judges reading the statutes as intending no change in the former law, wherein the corporation was an "inhabitant" only of its state of incorporation. Able exponents of this view are Chief Judge Phillips in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, with Judge Huxman dissenting, and Chief Judge Major in *C-O-Two Fire Equipment Co.* v. *Barnes*, 7 Cir., 194 F. 2d 410, with Judge Lindley

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[1] As the Reviser's Note to § 1400(b) indeed suggests, in pointing out the identity of "'resident" with "inhabitant" of the former law and making a specific cross-reference to the like explanation in the Note to § 1391.

[2] See discussion in the Note cited in the text *infra*, 56 Col. L. Rev. 394, 412, 413 (1956), also analyzing acutely other special venue provisions, including that of the Jones Act, 46 U. S. C. § 688, permitting suits in the district in which the defendant employer resides or in which his principal office is located. "Since the doing business test of section 1391(c) defines residence, can it be applied here when to do so would make superfluous the last clause of the special provision? The decisions are uniform in holding that it can." 56 Col. L. Rev. 394, 413 (1956), citing cases.

dissenting, affirmed by an equally divided court, *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U. S. 861; see also *Ackerman* v. *Hook*, 3 Cir., 183 F. 2d 11. Opposed and expressing the view with which we agree are *Dalton* v. *Shakespeare Co.*, 5 Cir., 196 F. 2d 469, and *Guiberson Corp.* v. *Garrett Oil Tools*, 5 Cir., 205 F. 2d 660, certiorari denied 346 U. S. 886,[3] as well as the text writers in general. See Note, *Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts*, 56 Col. L. Rev. 394, 413-416 (1956); 47 Nw. L. Rev. 699-705 (1952); 21 Geo. Wash. L. Rev. 610 (1953); Seidel, *Venue in Patent Litigation*, 22 Geo. Wash. L. Rev. 682, 697 (1954); 3 Moore's Federal Practice 2139, 2140 (2d Ed. 1948); Moore's Commentary on the U. S. Judicial Code 178, 179, 184, 185 (1949).

The stated reason chiefly relied on for the judicial conservatism thus displayed, namely, that the revision of Title 28 was often declared by those participating to be in the main declaratory only, without change of substance, can properly apply only where there was not change of substance; correctly understood in the light of the background of the revision, it here actually cuts the other way. For, as is well understood, an editorial staff from two law pub-

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[3] The cases cited do not exhaust the judicial precedents, for there are several district court decisions also divided. Compare, e.g., *Farr Co.* v. *Gratiot*, D. C. S. D. Cal., 92 F. Supp. 320, per Hall, *J.*, for the construction stated in the text, and *Pierce* v. *Perlite Aggregates, Inc.*, D. C. N. D. Cal., 110 F. Supp. 684, per Lemmon, *J.*, opposed. The case of *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, D. C. S. D. Cal., 92 F. Supp. 16, per Harrison, *J.*, also opposed, had a checkered career, as its transfer to Delaware, D. C. S. D. Cal., 10 F. R. D. 353, was unsuccessfully opposed by mandamus—a remedy refused because of lack of extraordinary circumstances. *Gulf Research & Development Co.* v. *Harrison*, 9 Cir., 185 F. 2d 457; *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, D. C. Del., 98 F. Supp. 198, per Leahy, *J.*; *Gulf Research & Development Co.* v. *Leahy*, 3 Cir., 193 F. 2d 302, affirmed by an equally divided court, 344 U. S. 861.

lishing firms did the initial task of revision for the legislative committee and naturally limited its work to revision proper. But, as also well understood, various suggestions coming from the staff or special consultants or scholars were adopted and, where occurring, made sharp breaks with the past. This is developed with extraordinarily complete documentation by Chief Justice Vinson in a case so analogous as to be authoritative here. *Ex parte Collett*, 337 U. S. 55, 61-71, 10 A. L. R. 2d 921, upholding the general applicability of another provision of this Venue chapter, 28 U. S. C. § 1404(a), providing for a change of venue for the convenience of parties and witnesses. In fact the same idea is expressly stated or conceded, under the rubric, applying to situations "which would not yield to codification," of "a few such changes, substantive in nature." by Chief Reviser Barron, in his quoted article, *The Judicial Code: 1948 Revision*, 8 F. R. D. 439, 441.[4] Among such important changes, that making corporations suable where they do business is of course outstanding.

The rationale of this sharp break with ancient formulae is quite obviously a response to a general conviction that it was "intolerable if the traditional concepts of 'residence' and 'presence' kept a corporation from being sued wherever it was creating liabilities." See the Note cited *supra*, 56 Col. L. Rev. 394, at 395 (1956). As this authority points

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[4] Cited and quoted in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, though *Ex parte Collett*, 337 U. S. 55, 10 A. L. R. 2d 921, is not. The *Ruth* case also quotes similar generalities from Professor Moore, apparently overlooking his specific views adverse to that decision, as noted in, *e.g.*, 56 Col. L. Rev. 394, at 414, and cited in the text. Unfortunate consequences of too restricted a construction of the new revision have also appeared elsewhere. See *Telechron, Inc.* v. *Parissi*, 2 Cir., 197 F. 2d 757, 761, overruling the narrow construction of *Kleinman* v. *Betty Dain Creations*, 2 Cir., 189 F. 2d 546, of the "pendent jurisdiction" provisions of 28 U. S. C. § 1338(a) with respect to claims of unfair competition; and see also Note, *Curtailing the Scope of 1404-A—Round Two*, 60 Yale L. J. 183-188.

out, the particular attack on the problem here is in terms of venue, with which is allied the issue of personal jurisdiction over corporations.[5] But, as we know, the ramifications are yet more general; for there have long been debated proposals to substitute for the famous fiction making a corporation a citizen or inhabitant of the perhaps remote state of its incorporation the more realistic test for substantive jurisdiction itself of the place or places of corporate activity or doing business. See *Frankfurter, J.*, in *Lumbermen's Mutual Casualty Co.* v. *Elbert*, 348 U. S. 48, 56, discussing, *inter alia*, the proposals of that distinguished lawyer and statesman, the late Attorney General Mitchell; and see in detail, McGovney, *A Supreme Court Fiction*, 56 Harv. L. Rev. 853, 1090, 1225, 1231-1238, 1251, 1252 (1943). So extensive has been the dispute, so voluminous the literature, that even partial steps to correct what has been so thoroughly and exhaustively condemned as unjust would seem deserving of support. No reason appears, therefore, why we should strain to discover unexpressed exceptions to this beneficial principle, which could so easily have been expressed, had they been intended.[6]

Moreover, recognition of such exceptions is unreasonable, since all the grounds supporting the general rule appear fully as applicable to all the special cases, including patent infringement.[7] And it presents a really acute problem as to how far such special exceptions should themselves

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[5] The suggestion found, as in *Ruth* v. *Eagle-Picher Co.*, 10 Cir., 225 F. 2d 572, that § 1391(c) but writes into the venue section the effect of *Neirbo Co.* v. *Bethlehem Shipbuilding Corp.*, 308 U. S. 165, 128 A. L. R. 1437, as to waiver of venue is obviously inadequate as an explanation; the change is perfectly consistent with the *Neirbo* decision, but goes much beyond it.

[6] Note that in the earlier subdivisions of § 1391, viz., (a) and (b), specific exceptions are made for other provisions of the law.

[7] However exclusive it may be, the patent jurisdiction statute itself, § 1400(b), did bring in a new concept making the place of the wrong important. See *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U. S. 561. This hardly suggests special privileges for patent infringers.

be extended. It does seem odd drafting, to say the least, to add after a general and unlimited defining statute a series of eight or ten exceptions—all unexpressed as such, but each destroying the generality of the first provision. For precisely the same problem can be raised—even though this does not seem to have been generally perceived—as to the series of special venue statutes in this chapter, as well as those elsewhere stated, such as seamen's suits under the Jones Act.[8] It hardly seems possible—and the cases do not support the view—that Congress intended any such inroad on its general principle as to take out all these situations; nor is there any ground for distinguishing between, *e.g.*, claims for patent infringement, for unfair competition, or for violation of the antitrust laws, which might properly come up in a single suit and be conveniently disposed of together. We conclude with the text writers that the general definition of corporate residence applies here also.

We should notice a final argument occasionally made, that the construction supported by plaintiffs will render the second alternative of § 1400(b) of no practical utility. Having in mind the manner in which the new Code was prepared, as stated above, it seems doubtful if any deduction of importance is to be drawn from the mere circumstance of continuance of provisions useful in the earlier legislation, 28 U. S. C. former § 109; and no such deduction has been made with reference to the provision for venue of cases under the Jones Act, as we have seen.[9] But it is quite clear that this alternative provision does have a sphere of decided usefulness in litigation against non-corporate defendants, and some provision of this nature was imperative. 56 Col. L. Rev. 394, 415 (1956).[10]

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[8] As explained in footnote 2 *supra*.

[9] See footnotes 2 and 8 accompanying text *supra*.

[10] Even for corporate defendants, the two provisions are not identical; and "having a regular and established place of business" may not always be synonymous or coextensive with "doing business."

Because its literal wording thus coincides with the legislative purpose, viewed in historical perspective, to support a patent infringement suit where the venue is laid in the federal district in which the corporate defendant is doing business, the judgment below must be reversed and the action remanded for further proceedings not inconsistent with this opinion.

APPENDIX C

UNITED STATES COURT OF APPEALS FOR THE TENTH CIRCUIT

July 18, 1955

No. 5072

JOSEPH P. RUTH, sometimes also known as J. P. Ruth, *Appellant*,

v.

THE EAGLE-PICHER COMPANY, a corporation, *Appellee*.

Before PHILLIPS, *Chief Judge*, and HUXMAN and PICKETT, *Circuit Judges*.

PHILLIPS, *Chief Judge*.

This is an action for patent infringement brought by Ruth against the Eagle-Picher Company in the District of Colorado. Eagle-Picher imposed a motion to dismiss on the ground that while it is authorized to do business in the State of Colorado, it is a corporation organized under the laws of Ohio and had committed no acts of patent infringement within the District of Colorado. The trial court sustained the motion. Ruth has appealed.

28 U.S.C.A. § 109, prior to the 1948 revision of the Judicial Code, Act of June 25, 1948, 62 Stat. 869, in part read as follows:

> "In suits brought for the infringement of letters patent the district courts of the United States shall

have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. * * *"

In the 1948 revision, § 1400(b) of Title 28 U.S.C.A. reads as follows:

"(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

28 U.S.C.A. §§ 112 and 113, before the 1948 revision of the Judicial Code, in part read as follows:

"§ 112. * * * except as provided in sections 113 to 118 of this title, no civil suit shall be brought in any district court against any person by any original process or proceeding in any other district than that whereof he is an inhabitant; * * *"

"§ 113. When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides. * * *"

In the 1948 revision § 1391 (b, c) of Title 28 U.S.C.A. reads as follows:

"(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be

brought only in the judicial district where all defendants reside, except as otherwise provided by law.

"(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

In the 1948 revision, § 1392(a) of Title 28 U.S.C.A. reads as follows:

"(a) Any civil action, not of a local nature, against defendants residing in different districts in the same State, may be brought in any of such districts."

In Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S. Ct. 780, 781, 86 L. Ed. 1026, the question presented was whether 28 U.S.C.A. § 109 was the sole provision governing venue of patent infringement cases, or whether that section was supplemented by 28 U.S.C.A. § 113. The court held that 28 U.S.C.A. § 109 was the exclusive provision controlling venue in patent infringement cases.[1]

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[1] In its opinion the court said:

"We hold that Section 48 is the exclusive provision controlling venue in patent infringement proceedings.

"Section 48 is derived from the Act of March 3, 1897, c. 395, 29 Stat. 695, and its scope can best be determined from an examination of the reasons for its enactment.

"Section 11 of the Judiciary Act of September 24, 1789, c. 20, 1 Stat. 79, permitted civil suits to be brought in the federal courts against a person only in the district of which he was an inhabitant or in which he was found at the time of serving the writ. That section applied to suits for patent infringement. Chaffee v. Hayward, 20 How. 208, 216, 15 L. Ed. 804, 851; Allen v. Blunt, Fed. Cas. No. 215, 1 Blatchf. 480. The act of March 3, 1875, c. 137, 18 Stat. 470, retained the provision allowing suit wherever the defendant could be found. The abuses engendered by this extensive venue prompted

The question here presented is whether § 1400 is the sole provision governing patent infringement cases, or whether it is supplemented by § 1391(c).

(1) it has been often stated that where there are two statutes upon the same subject, one being special and the other general, the presumption is, in absence of an express repeal, or an absolute incompatibility, that the special

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the Act of March 3, 1887, c. 373, 24 Stat. 552, which, as amended by the Act of August 13, 1888, c. 866, 25 Stat. 433, permitted civil suits to be instituted only in the district of which the defendant was an inhabitant, except that in diversity jurisdiction cases suit could be started in the district of the plaintiff's or the defendant's residence. The substance of those provisions was reenacted as Section 51 of the Judicial Code (28 U.S.C. § 112, 28 U.S.C.A. § 112).

"'After the holding of In re Hohorst, 150 U.S. 653, 14 S. Ct. 221, 225, 37 L. Ed. 1211, that the Act of 1887 as amended did not apply to a suit against an alien or a foreign corporation, 'especially in a suit for the infringement of a patent right,' the lower federal courts became uncertain as to the applicability of the Act of 1887 to patent infringement proceedings. In explanation of Hohorst's case, it was said in In re Keasbey & Mattison Co., 160 U.S. 221, 230, 16 S. Ct. 273, 275, 40 L. Ed. 402, that 'It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the circuit courts of the United States * * *; and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several states.' Thereafter the lower federal courts for the most part took the position that the Act of 1887 as amended did not apply to suits for patent infringement and that infringers could be sued wherever they could be found.

"'The Act of 1897 was adopted to define the exact jurisdiction of the federal courts in actions to enforce patent rights, and thus eliminate the uncertainty produced by the conflicting decisions on the applicability of the Act of 1887, as amended, to such litigation. That purpose indicates that Congress did not intend the Act of 1897 to dovetail with the general provisions relating to the venue of civil suits, but rather that it

is intended to remain in force as an exception to the general,[2] without regard to the time of the enactment of such

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alone should control venue in patent infringement proceedings.

"Section 52 is derived from R.S. § 740, which in turn stems from the Act of May 4, 1858, c. 27, 11 Stat. 272, a general act intended to do away with the insertion of special provisions preserving state-wide venue in acts dividing a state into two or more judicial districts, and the Act of February 24, 1863, c. 54, § 9, 12 Stat. 662. Respondents insist that Section 52 applies to patent infringement suits because it antedates Section 48, excludes from its purview only suits of a local nature, and is consistent with and complementary to Section 48 since it deals with the problem of venue in the geographical sense rather than in terms of specified classes of litigation. We cannot agree.

"Even assuming that R.S. § 740 covered patent litigation prior to the Act of 1897, we do not think that its application survived that Act, which was intended to define the exact limits of venue in patent infringement suits. Furthermore, the Act of 1897 was a restrictive measure, limiting a prior, broader venue. General Electric Co. v. Marvel Rare Metals Co., 287 U.S. 430, 434-435, 53 S. Ct. 202, 204, 77 L. Ed. 408; Bowers v. Atlantic, G. & P. Co., C.C., 104 F. 887; Cheatham Electric Switching Device Co. v. Transit Development Co., C.C., 191 F. 727. Thus there is little reason to assume that Congress intended to authorize suits in districts other than those mentioned in that Act."

[2] Washington v. Miller, 235 U.S. 422, 35 S. Ct. 119, 59 L. Ed. 295; Rodgers v. United States, 185 U.S. 83, 22 S. Ct. 582, 46 L. Ed. 816; Town of Okemah, Okl. v. United States, 10 Cir., 140 F. 2d 963; Niagara Fire Ins. Co. of New York, N. Y. v. Raleigh Hardware Co., 4 Cir., 62 F. 2d 705; United States v. Mammoth Oil Co., 8 Cir., 14 F. 2d 705, affirmed 275 U.S. 13, 48 S. Ct. 1, 72 L. Ed. 137; Abbate v. United States, 9 Cir., 270 F. 735; Welden v. Clark, 20 Utah 382, 59 P. 524; University of Utah v. Richards, 20 Utah 457, 59 P. 96.

statutes[3] or the priority of enactment.[4] However, the rule is peculiarly applicable where the statutes are enacted at the same time or about the same time.[5]

(2, 3) It is a well settled rule of construction that where the entire legislation affecting a particular subject matter has undergone revision and consolidation by codification the revised sections will be presumed to bear the same meaning as the original sections.[6] This is true, even though in the course of revision or consolidation the language of the original sections has been changed. Ordinarily, the new language will be attributed to a desire to condense and simplify the text and to improve phraseology.[7] A legis-

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[3] Dallman v. Campbell, 56 Ohio App. 88, 10 N.E. 2d 38; State v. Preston, 103 Or. 631, 206 P. 304, 23 A.L.R. 414.

[4] United States v. Hess, 8 Cir., 71 F. 2d 78, denying rehearing 8 Cir., 70 F. 2d 142; Chilson v. Jerome, 102 Cal. App. 635, 283 P. 862; Utah Mining & Mfg. Co. v. Dickert & Myers Sulphur Co., 6 Utah 183, 21 P. 1002, 5 L.R.A. 259.

[5] Rodgers v. United States, 185 U.S. 83, 22 S. Ct. 582, 46 L. Ed. 816; University of Utah v. Richards, 20 Utah 457, 59 P. 96; Mayor and Alderman of Jersey City v. Hall, 79 N.J.L. 559, 76 A. 1058; State v. Hammond Packing Co., 110 La. 180, 34 So. 368; Abbate v. United States, 9 Cir., 270 F. 735; Nelden v. Clark, 20 Utah 382, 59 P. 524.

[6] Lewis v. Annie Creek Mining Co., 74 S. D. 26, 48 N.W. 2d 815; Miller Lumber Co. v. Federal Home Development Co., 231 Wis. 509, 286 N.W. 58, 122 A.L.R. 752; Guardian Agency, Inc. v. Guardian Mut. Sav. Bank, 227 Wis. 550, 279 N.W. 79, 115 A.L.R. 1356; Cf. In re Yonk's Estate, 115 Utah 292, 204 P. 2d 452.

[7] Lewis v. Annie Creek Mining Co., 74 S.D. 26, 48 N.W. 2d 815; Town of Forest Acres v. Seigler, 224 S.C. 166, 77 S.E. 2d 900; State ex rel. Rankin v. Wibaux County Bank, 85 Mont. 532, 281 P. 341, certiorari denied American Surety Co. of New York v. Mullendore, 281 U.S. 725, 50 S. Ct. 239, 74 L. Ed. 1142; United States & Canada Land Co. v. Sullivan, 113 Minn. 27, 128 N.W. 1112; Seminole Phosphate Co. v. Johnson, 188 N.C. 419, 124 S.E. 859; Bassett v. City Bank & Trust Co., 115 Conn. 393, 161 A. 852.

lative intent to change meaning will not be inferred unless such intent is clearly and indubitably manifested.[8]

The report of the Committee on the Judiciary of the Senate on H.R. 3214 "Revising, codifying, and enacting into law Title 28 of the United States Code, entitled 'Judicial Code and Judiciary' ",[9] in part reads as follows:

> "Many noncontroversial improvements have been effected which, while individually small in themselves, add up to a very substantial improvement in and modernization of the law relating to the Federal judiciary. At the same time great care has been exercised to make no changes in the existing law which would not meet with substantially unanimous approval.
>
> • • • • •
>
> "• • • Appended to the report are the revisers' notes to each section, together with accompanying tables. These explain in great detail the source of the law and the changes made in the course of the codification and revision."

The report of the Committee on the Judiciary of the House of "Revision of Title 28, U.S.C., 80th Congress, First Session, Report No. 308", states:

> "The reviser's notes are keyed to sections of the revision and explain in detail every change made in

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[8] McDonald v. Hovey, 110 U.S. 619, 4 S. Ct. 142, 28 L. Ed. 269; United States v. Ryder, 110 U.S. 729, 4 S. Ct. 196, 28 L. Ed. 308; Anderson v. Pacific Coast S.S. Co., 225 U.S. 187, 32 S. Ct. 626, 56 L. Ed. 1047; Gillam v. United States, 4 Cir., 27 F. 2d 296, certiorari denied 278 U.S. 635, 49 S. Ct. 32, 73 L. Ed. 552; Reaney v. Union County, 69 S.D. 392, 10 N.W. 2d 762, affirmed rehearing 69 S.D. 488, 12 N.W. 2d 14; Lewis v. Annie Creek Mining Co., 74 S.D. 26, 48 N.W. 2d 815; Bassett v. City Bank & Trust Co., 115 Conn. 393, 161 A. 852; Lindsay v. United States Savings & Loan Co., 127 Ala. 366, 28 So. 717, 51 L.R.A. 393; Cole v. Sloss-Sheffield Steel & Iron Co., 186 Ala. 192, 65 So. 177.

[9] 80th Congress, Second Session, Report No. 1559, Title 28 United States Code Congressional Service Special Pamphlet, p. 1675.

text. References to court decisions are supplied wherever necessary or appropriate."[10]

Mr. William W. Barron, Chief Reviser of Title 28 U. S. Code, Judiciary and Judicial Procedure, in his article on "The Judicial Code 1948 Revision", said:

> "There was no purpose on the part of the Revision staff to effect any change in existing law. Despite this, the process of comprehensively examining and rewriting the Code disclosed some grave disparities, inconsistencies and ambiguities not correctable by mere codification. This was due in part to forty years of piecemeal amendment to the 1911 Judicial Code. Some such problems had manifested themselves in difficult and not wholly satisfactory judicial interpretations. The Reviser and the Advisory Committee, upon discovering situations which would not yield to codification, felt in duty bound to apprise Congress of their findings and recommendations. Consequently, a few such changes, substantive in nature, were recommended to Congress. These were carefully outlined in the Reviser's Notes, and fully considered by the Judiciary Committees of both houses. * * *"[11]
>
> "Because of the necessity of consolidating, simplifying and clarifying numerous component statutory enactments no changes of law or policy will be presumed from changes of language in revision unless an intent to make such changes is clearly expressed.
>
> "Mere changes of phraseology indicate no intent to work a change of meaning but merely an effort to state in clear and simpler terms the original meaning of the statute revised.
>
> "Congress recognized this rule by including in its reports the complete Reviser's Notes to each section in which are noted all instances where change is intended and the reasons therefor."[12]

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[10] 80th Congress, First Session, Report No. 308, Title 28, United States Code Congressional Service, p. 1699.

[11] 8 F.R.D. 439, 441.

[12] 8 F.R.D. 439, 445.

The Reviser's Notes with respect to § 1400(b) read as follows:

> "Subsection (b) is based on said section 109 of title 28 [U.S.C., 1940 ed.], with the following changes:
>
> "Words 'civil action' were substituted for 'suit', and words 'in law or in equity', after 'shall have jurisdiction' were deleted, in view of Rule 2 of the Federal Rules of Civil Procedure.
>
> "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant'. A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident', as respects venue, are synonymous. (See reviser's note under section 1391 of this title.)
>
> "Words 'whether a person, partnership, or corporation' before 'has committed' were omitted as surplusage."

The Reviser's Notes clearly indicate a mere language change and negative any intent to effect a substantive change.

Pertinent provisions of the Reviser's Notes relative to § 1391 read as follows:

> "Section consolidates said section 111 [of title 28, U.S.C., 1940 ed.,] with part of said section 112 [of such title].
>
> . . . . . .
>
> "Word 'action' was substituted for 'suit' in view of rule 2 of the Federal Rules of Civil Procedure.
>
> "Word 'reside' was substituted for 'whereof he is an inhabitant' for clarity inasmuch as 'inhabitant' and 'resident' are synonymous. (See Ex parte Shaw, 1892, 145 U.S. 444, 12 S. Ct. 935, 36 L. Ed. 768; Standard Stoker Co., Inc. v. Lower, D.C. 1931, 46 F. 2d 678; Edgewater Realty Co. v. Tennessee Coal, Iron & Railroad Co., D.C. 1943, 49 F. Supp. 807.)"

They indicate no intent to make a substantive change.

The phrase in subsection (c) of § 1391, "in which it is incorporated or licensed to do business," merely writes

into the venue section the effect of the decision of the Supreme Court in Neirbo Co. v. Bethlehem Shipbuilding Corp., 308 U.S. 165, 60 S. Ct. 153, 84 L. Ed. 167. The phrase in subsection (c), "or is doing business," extends the philosophy of that case to the act of doing business.

There is nothing in the Reviser's Notes to § 1391 indicating an intent to modify § 1400.

At the hearings before Subcommittee No. 1 of the House Judiciary Committee, Honorable Albert B. Maris, United States Circuit Judge for the Third Circuit, and a member of a committee of the Judicial Conference of the United States to collaborate with the Congressional committees in carrying forward the work of revising Title 28, in part stated: "Care has been taken to make no changes in the existing laws which would not meet with substantially unanimous approval."

At the hearings before such Subcommittee No. 1, James William Moore, Professor of Law at Yale University and a special consultant on the revision of Title 28, stated: "Venue provisions have not been altered by the revision."

An illustration of a plain statement of intention to make a substantive change, where such intention existed, is the Reviser's Notes to § 1398, wherein it is stated, "This section is completely rewritten to give effect to changes recommended by Judicial Council of the United States."[13]

The principle of waiver announced in Neirbo Co. v. Bethlehem Shipbuilding Corp., supra, prior to the 1948 revision, was repeatedly held to be inapplicable to patent infringement cases. See Blaw-Knox Co. v. Lederle, 6 Cir., 151 F. 2d 973; Bulldog Electric Products Co. v. Cole Electric Products Co., 2 Cir., 134 F. 2d 545 and Carbide & Carbon Chemicals Corp. v. United States Industrial Chemicals, Inc., 4 Cir., 140 F. 2d 47, wherein it was held

[13] Title 28, United States Code Congressional Service, p. 1850.

that 28 U.S.C.A. § 109 was the sole provision governing the venue of patent infringement litigation.

(4) The patent venue statute, as construed in Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S. Ct. 780, 86 L. Ed. 1026, reflected a sound policy of long standing. It was based on considerations of practicality and convenience in such litigation. A patent infringement action involves a peculiar combination of science or technology and law. In the ascertainment of the pertinent technical facts, it is important that the trial judge have first-hand visual and audible knowledge of the conditions, the environment and the art itself and the testimony of the most competent witnesses. Practicality and convenience are best served when the case is prosecuted where the alleged acts of infringement occurred and the defendant has a regular and established place of business.

An intention on the part of Congress to depart from that policy should not be lightly inferred.

We conclude that it was not intended that § 1400 should be modified or complemented by §.1391 (c); that § 1400 is the sole provision governing venue in patent cases; and that a corporate defendant may be sued only in a district of a state in which it is incorporated or a district wherein it has committed acts of infringement and has a regular and established place of business.

The conclusion we have reached is supported by a considerable body of judicial opinion.[14]

Affirmed.

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[14] Ackerman v. Hook, 3 Cir., 183 F. 2d 11; C-O-Two Fire Equipment Co. v. Barnes, 7 Cir., 194 F. 2d 410; Id., 344 U.S. 861, 73 S. Ct. 102, 97 L. Ed. 695; Fischer v. Karl, D.C.E.D.N.Y., 84 F. Supp. 53; Arkay Infants Wear, Inc., v. Kline's, Inc., D.C.W.D. Mo., 85 F. Supp. 98; Rava v. Westinghouse Electric Corp., D.C.S.D.N.Y., 90 F. Supp. 707; Curtis v. Madovoy, D.C. E.D.N.Y., 84 F. Supp. 637; Nachtman v. Jones & Laughlin Steel Corp., D.C.D.C., 90 F. Supp. 739; Gulf Research & Development

HUXMAN, Circuit Judge (dissenting).

While the question is not free from doubt and is somewhat shrouded in uncertainty, I find myself unable to agree with my Associates.

28 U.S.C.A. § 1400 (b)[1] governs the venue of patent infringement suits. Under this section as it was prior to the 1948 Judicial Code revision it was held without exception that the phrase "the judicial district where the defendant resides" had reference to the state of incorporation of a corporate defendant charged with patent infringement. The question is whether the provisions of 28 U.S.C.A. § 1391(c) of the 1948 revision of the Judicial Code, which in substance provides that the place of incorporation, the place in which a corporation is licensed to do business or the place in which it is doing business, shall be regarded as the place of residence of a corporation for venue purposes has application to corporations charged with patent infringement. One line of cases holds that revised Section 1391(c) has no impact on Section 1400(b) and that it stands unimpaired as before with respect to patent infringement suits, while another line of cases holds that the term "resides" in Section 1400(b) is for the first time legislatively defined by Section 1391(c).

Judicial construction should be employed only when there is ambiguity or vagueness in language used. It has no place in the law with respect to language which is clear, unambiguous and logically leads to only one result. Section 1391(c) is general in its application. It applies to corporations without exception. It seems clear to me that

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Co. v. Schlumberger Well Surveying Corp., D.C.S.D. Cal., 92 F. Supp. 16; Contra: see Guiberson Corp. v. Garrett Oil Tools, Inc., 5 Cir., 205 F. 2d 660, certiorari denied 346 U.S. 886, 74 S. Ct. 137, 98 L. Ed. 390, rehearing denied 346 U.S. 917, 74 S. Ct. 273, 98 L. Ed. 413; Dalton v. Shakespeare Co., 5 Cir., 196 F. 2d 469.

[1] This section is set out in the majority opinion and need not be repeated herein.

it states in clear language that action against corporations without exception may be brought in districts in which they are licensed to do business. The defendant corporation in this case was licensed to do business in the district in which it was sued in this action. But, argues the majority and the cases holding with them, since under the decisions of the courts it had been held that a suit could be brought only in a state of incorporation, the conclusion must be that had Congress intended to change this interpretation it would have so provided in specific language. It is just as logical and more convincing to me that had Congress intended to exempt patent infringement corporate defendants from the effect of the clear language of Section 1391(c), it would, as pointed out by Judge Hall in his opinion in Farr Co. v. Gratiot, D.C.S.D. Cal. 1950, 92 F. Supp. 320, 322, have provided " 'except in patent litigation.' "

When we seek support for our views in the legislative history of an act, it is not too difficult to find what we seek. It is pointed out that the revisor's notes are keyed to sections of the revision and point out each substantive change in the various sections. Reliance is placed on the fact that no reference is made to any substantive changes in Section 1400(b). But not all important changes were noted in the revisor's notes. Clearly an important change was made in Section 1391(c), yet the revisor's notes do not call attention to this change.

I can add nothing new to Judge Lindley's able dissenting opinion in C-O-Two Fire Equipment Co. v. Barnes, 7 Cir., 1952, 194 F. 2d 410, 415, or to the logic of Judge Hall's opinion in Farr Co. v. Gratiot, D.C.S.D. Cal. 1950, 92 F. Supp. 320, or to the opinion of the Fifth Circuit in Dalton v. Shakespeare Co., 196 F. 2d 469. Until the question is finally settled by the Supreme Court, I adhere to the views expressed in these cases and, therefore, respectfully dissent.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

Supreme Court, U.S.
FILED
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No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP., and ROBERT ARONSTEIN, *Respondents*

REPLY BRIEF FOR PETITIONER

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IN THE

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OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP., and ROBERT ARONSTEIN, *Respondents*

REPLY BRIEF FOR PETITIONER

I. THE PRESENT CASE MEETS THE IMPORTANT PREREQUISITES FOR REVIEW BY THIS COURT—RESPONDENTS ADVANCE NO VALID REASON FOR DENIAL OF THE PETITION

A. Respondents Seek to Induce This Court to Ignore the Fundamental Reasons for Granting the Petition

Respondents, under Points I and II of their brief, rely upon the fact, *peculiar to this case,* that the judgment of the Court below is not final. Respondents' argument seeks to induce this Court to ignore the broad aspect of the issue presented.

The practical significance of the issue involved far transcends the present case—as compellingly demonstrated by the widespread conflict in the lower federal courts. The question of the proper interpretation of the special patent venue statute, 28 U.S.C. § 1400(b), must be faced by counsel in essentially all cases brought against corporate defendants for patent infringement. In the interests of uniform and orderly procedure in patent litigation, this Court should grant certiorari to resolve the confusion arising from the application by the lower federal courts of squarely conflicting interpretations of 28 U.S.C. § 1400(b).

Respondents' contention, that the propriety of granting the writ is foreclosed by the fact that the Court below found immaterial to its decision the ruling of the District Court that the petitioner did not commit acts of infringement within the Southern District of New York, is an obvious red herring. Contrary to the arguments at pages 4-5 of respondents' brief, the "normal appellate processes" are of no avail to petitioner in this regard. *The ruling of the Court below, for which review is sought, is the law of the case and is a final judgment insofar as the venue issue raised by the petition is concerned.*

Only if the petition is *granted* and the judgment of the Court below reversed, will that Court be called upon to consider the District Court's finding that petitioner did not commit acts of infringement within the Southern District of New York. *Indeed, if the petition is denied and trial on the merits and appeal ensues, a further petition would be subject to the same challenge presently advanced by respondents insofar as the final disposal of the venue issue is concerned.*

In advancing the argument that review is not warranted because the question presented is not decisive of the venue issue, respondents merely dignify a detail peculiar to the present case which, in no sense, obviates the urgent necessity for an authoritative holding with respect to the venue issue presented by the present petition.

The guiding precedents, cited at page 9 of the petition and relied upon by counsel in the decision to file the petition, amply show that this Court has often granted certiorari from non-final judgments where issues of sufficient importance, including issues raising important jurisdictional questions, were involved. In *Land* v. *Dollar*, 330 U.S. 731, 734, n. 2, and in *Larson* v. *Domestic and Foreign Commerce Corp.*, 337 U.S. 682, 685, n. 3, both cited at page 9 of the petition, certiorari was granted to review decisions where, as in the present case, the Court of Appeals had reversed the granting of a motion to dismiss and had ordered the case remanded for trial.

A like precedent of particular significance, insofar as the present case is concerned, is that in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, in which this Court granted certiorari to review a statutory *patent venue question* raised by the non-final judgment of the Court of Appeals in reversing the judgment of the District Court dismissing the complaint for want of venue.

Certiorari has also issued to review a non-final judgment where there was a conflict on a question of law with another court of appeals or with the highest court of a state where the conflict would justify review of a final decree or judgment. *United States* v. *General Motors Corp.*, 323 U.S. 373, 374; *Hanover*

Star Milling Co. v. *Metcalf*, 240 U.S. 403, 408-9; *Forsyth* v. *Hammond*, 166 U.S. 506. It cannot be seriously contended that certiorari should not be granted if the judgment of the Court below were final.

It is strikingly significant that each of the cases cited at page 4 of respondents' brief reaffirm the propriety of granting certiorari to review non-final judgments in proper cases and, hence, afford additional precedent for the granting of the present petition. Indeed, in *American Construction Co.* v. *Jacksonville T. & K. W. Ry.*, 148 U.S. 372, this Court stated:

> "... But the question at what stage of the proceedings, and under what circumstances, the case should be required by certiorari or otherwise, to be sent up for review, is left to the discretion of this court, as the exigencies of each case may require."

The decision in *Busby et al.* v. *Electric Utilities Employees Union*, 323 U.S. 72, cited at page 3 of respondents' brief, is obviously inapposite, as appears from the statement of this Court in the *Busby* opinion immediately preceding that quoted by respondents, to-wit:

> "... This Court will not answer a question which will not arise in the pending controversy unless another issue, not yet resolved by the certifying court, is decided in a particular way."

In the case at bar, the issue presented by the petition *has* arisen and *has been decided* by the Court below which has rendered a judgment final with respect to it.

B. There Is Widespread Conflict in the Lower Federal Courts Concerning the Issue Involved

The petition demonstrates that widespread, direct, and irreconcilable conflict exists in the lower federal courts concerning the proper interpretation of the special patent venue statute, 28 U.S.C. § 1400(b). The existence of that conflict is acknowledged by respondents. The Supreme Court, itself, failed to resolve the issue presented by the present petition when that issue was previously considered in *Cardox Corp.* v. *C-O-Two Fire Equipment Co.*, 344 U.S. 861, and *Gulf Research & Development Co.* v. *Leahy*, 344 U.S. 861.

The acknowledged widespread conflict in the federal courts with respect to the issue presented by the petition demonstrates the fallacy of respondents' contention under Point III of their brief, page 6, *et seq.*, that "the decision below is so clearly justified that review by this Court is not warranted".

One facet of that conflict is the difference of opinion in the lower federal courts concerning the relevancy with respect to the issue presented by the petition of the 1949 decision of this Court in *Ex parte Collett*, 337 U.S. 55, cited by respondents at page 7 of their brief.

More specifically, the *Collett* decision was cited in *support* of the ruling, both of the Court below (Pet. App. B. p. 6a), and the Fifth Circuit Court of Appeals, in *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469 (cited Pet. p. 7). The Seventh Circuit Court of Appeals in the *conflicting* decision in *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (Pet. p. 5) distinguished the *Collett* decision as relating to a "situation . . . quite different" from the issue presented by the present petition.

Additionally, while the *Collett* decision was not specifically mentioned in the conflicting decision of the Tenth Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572 (Pet. App. C, p. 9a *et seq.*), the dissenting judge asserted "I can add nothing new . . . to the opinion of the Fifth Circuit in *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469. Until the question is finally settled by the Supreme Court, I . . . respectfully dissent."

The additional conflict in the federal courts concerning the proper application of the decision of this Court in *Ex parte Collett* to the issue raised by the petition, accordingly, affords yet another reason for granting a writ of certiorari in the present case.

C. The Decision of the Court Below Is Also in Conflict With the Decision of This Court in Stonite Products Co. v. Melvin Lloyd Co.[1]

The Court below rendered lip service to the decision of this Court in *Stonite Products Co.* v. *Melvin Lloyd Co.*, then proceeded to violate its basic mandate. In one breath, the Court below professes to follow the holding in the *Stonite* case that the special patent venue statute "is the exclusive provision controlling venue in patent infringement proceedings"; in the next, the Court below emasculates the special venue statute *by insertion therein* of the definition of corporate residence from the general statute. The decision of the Court below is, therefore, squarely in conflict with the ruling of this Court in the *Stonite* case.

Respondents' contention that the Court below "expressly followed the decision" (Res. Br. p. 6) in the *Stonite* case is contrary to the facts.

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[1] 315 U.S. 561.

II. THE QUESTION PRESENTED IS ACCURATELY STATED IN THE PETITION

It is self-evident that the question presented is accurately stated in the petition.

The District Court, finding that defendant was a West Virginia corporation and had not committed acts of infringement in the Southern District of New York, ruled that the special patent venue statute, 28 U.S.C. § 1400(b), was not satisfied, even though the defendant has a regular and established place of business in that district.

The Court below, in *reversing* the decision of the District Court, inserted the definition of corporate residence from the general corporate venue statute, 28 U.S.C. § 1391(c), into the special patent venue statute, 28 U.S.C. § 1400(b), to support its ruling that *mere* doing business by a foreign corporation in the district in which suit is brought satisfies the venue requirement for patent infringement cases against corporate defendants. Hence, the Court below acknowledged that the question of whether defendant committed acts of infringement in the Southern District of New York was immaterial to its decision.

It is self-evident that the Court below, by such acknowledgement, merely sought to make it abundantly clear that its decision that venue is proper is predicated *solely* on the fact that petitioner is doing business in the judicial district in which suit was brought.

This case, accordingly, raises only the legal issue of statutory interpretation stated in the question presented in the petition; namely, does the special patent venue statute, 28 U.S.C. § 1400(b), permit a patent suit against a corporate defendant in a jurisdiction

in which the defendant corporation has not infringed and is not incorporated, but where it is merely doing business?

III. THE STATEMENT OF THE CASE IN THE PETITION IS ACCURATE

Respondents' brief asserts that petitioner's statement is inaccurate in stating that the lower Court entered judgment of dismissal after a full hearing on the merits of the motion to dismiss. The *fact* is that a hearing on the merits of the motion to dismiss was held, as stated in the petition, on July 26, 1956, and that the decision of the District Court was rendered only after such hearing.

Insofar as respondents' opportunity to present evidence in opposition to the motion to dismiss is concerned, *the facts are,* as stated by the District Court in its opinion:

> "There is no indication from the motion papers that the defendant makes or sells, either in this district or elsewhere, . . . devices embodying the alleged patented invention of the plaintiff; in fact, the papers indicate distinctly to the contrary." (R. 4a)
>
> * * * * * * * * *
>
> "Plaintiff has had plenty of time to secure any information which it may wish to secure on this situation. Defendant's motion to dismiss was first filed on March 23, 1955. Subsequent thereto, plaintiff submitted two sets of interrogatories which have been answered, and plaintiff has taken (153) the deposition of the Eastern Sales Manager of the defendant. When the motions came upon the calendar and plaintiff stated that it needed more detailed answers to its interrogatories or wished the right to take the deposition of the defendant

by oral examination, the motion was delayed for such purposes.

"It appears, therefore, that plaintiff has been unable to secure any information which might lead in any way to a conclusion that the defendant has been guilty of infringement or contributory infringement in this district." (R. 5a)

Pages 23a to 63a of the record are properly before the Court. These pages relate to respondents' motion under Rule 60(b) to vacate the order of the District Court dismissing the complaint and remand the case for consideration of alleged newly discovered evidence. *The motion was brought in the Court of Appeals for the Second Circuit* and, therefore, was obviously before the Court below. The Circuit Court denied this motion. *Had the motion been meritorious, it would not have been denied.*[2]

IV. CONCLUSION

Petitioner, in the decision to file, and in the preparation of the subject petition, was guided by the established principles relevant to such proceedings so well expressed by the late Chief Justice Vinson, who stated:

"The function of the Supreme Court is, therefore, to resolve conflicts of opinion on federal questions that have arisen among lower courts, to pass upon questions of wide import under the Constitution, laws, and treaties of the United States, and to exercise supervisory power over the lower federal courts . . . Lawyers might be

[2] As a practical matter, the Court below, in denying respondents' motion to remand on the basis of alleged newly discovered evidence under Rule 60(b), has already expressed its views on the question of whether petitioner committed local acts of infringement in the Southern District of New York.

> well advised, in preparing petitions for certiorari to spend a little less time discussing the merits of their cases and a little more time demonstrating why it is important that the court should hear them . . . What the court is interested in is the actual, practical effect of the disputed decision—its consequences for other litigants and in other situations. A petition for certiorari should explain why it is vital that the question involved be decided finally by the Supreme Court. If it only succeeds in demonstrating that the decision below may be erroneous, it has not fulfilled its purpose.'"[3]

These compelling and succinctly expressed principles have been followed in the petition for certiorari. They have not guided respondents in the brief in opposition. The petition for a writ of certiorari should be granted.

Respectfully submitted,

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[3] From an address before the American Bar Association on September 7, 1949, reprinted Supreme Court Practice, Stern and Gressman, 107, 199 (2d. Ed. 1954).

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. AND ROBERT ARONSTEIN, *Respondents*

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF FOR THE PETITIONER

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. AND ROBERT ARONSTEIN, *Respondents*

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

---

BRIEF FOR THE PETITIONER

CITATIONS TO OPINIONS BELOW

The opinion of the District Court (R. 1) is reported at 133 F. Supp. 531 (S.D. N.Y. 1955). The opinion of the Circuit Court of Appeals (R. 5) is reported at 233 F. 2d 885 (2d Cir. 1956).

JURISDICTION

The judgment of the Circuit Court of Appeals was entered on May 14, 1956 (R. 12).. A petition to this Court for a writ of certiorari was filed August 10, 1956, and was granted October 8, 1956 (R. 13). The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTION PRESENTED

Whether the 1948 revision of the Judicial Code (Act of June 25, 1948, c. 646, 62 Stat. 869-994) changes the law and enlarges the permissible venue for patent infringement actions against corporate, as distinguished from non-corporate, defendants to permit a patent suit against a corporation in a judicial district where the corporation has not infringed and is not incorporated, but where it is merely doing business.

STATUTES INVOLVED

The statutory provisions directly involved are Sections 1391(c) and 1400(b) of Title 28 of the United States Code. These and Section 1694 are printed in Appendix A hereof, *infra,* page 38.

STATEMENT

The action in this case is one for patent infringement initiated by respondents, Transmirra Products Corporation and Robert Aronstein, against petitioner, Fourco Glass Company, in the United States District Court for the Southern District of New York (R. 1). On March 23, 1955, petitioner filed a motion under Rule 12(b)(3) of the Federal Rules of Civil Procedure to dismiss for want of proper venue (R. 1, 4).

Venue in patent infringement cases is controlled by 28 U.S.C., § 1400(b), which specifies that any civil action for patent infringement may be brought in the judicial district:

(a) where the defendant resides, or

(b) where the defendant has committed acts of infringement *and* has a regular and established place of business.

Petitioner moved to dismiss for the reason that neither of the alternative prerequisites of Title 28, § 1400(b), above set forth, were satisfied (R. 1, 2). Specifically, petitioner's motion to dismiss was bottomed on the premises:

(a) that petitioner is a West Virginia corporation and, hence, does not, within the meaning of Title 28, § 1400(b), reside within the Southern District of New York, where the complaint was filed (R. 1); and

(b) that, although petitioner has a place of business in the Southern District of New York, it has not committed acts of infringement within such district, as required by the second alternative of Title 28, § 1400(b) (R. 1, 2).

On August 5, 1955, the District Court entered judgment granting petitioner's motion to dismiss for want of venue (R. 4). The District Court, in its opinion, recognized that petitioner was doing business within the Southern District of New York, but ruled that venue was improper for the reasons advanced by petitioner (R. 1, 2, 4).

Respondents appealed to the United States Court of Appeals for the Second Circuit from the judgment of the District Court dismissing the complaint for want of venue (R. 5).

The Court of Appeals entered judgment on May 14, 1956 (R. 12), reversing the District Court and finding that venue was proper on the ground that, although Section 1400(b) controls venue in patent infringement cases, it has incorporated therein the provision of the general venue section, § 1391(c), which specifies that a corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes (R. 6, 7).

SUMMARY OF ARGUMENT

To avoid abuses resulting from the application of broad *general* venue provisions to patent infringement suits, Congress, in 1897, first enacted a *special* venue statute restricting venue in such suits either to the district in which the defendant was an *inhabitant* or to the district in which the defendant had committed acts of infringement *and* had a regular and established place of business.

This special venue statute was reenacted, including the commensurate provisions for service of process as Section 48, of the Act of 1911 and for fifty years was held to permit infringement suits against corporate defendants in a district other than that of incorporation only when the defendant had committed acts of infringement *and* had an established place of business in such other district. Section 48 was recodified as to venue as Section 1400(b) and as to process as Section 1694 of the Judicial Code of 1948.

This Court requires that recodified statutes be construed to perpetuate without change the prior law in the absence of a clear expression of a contrary legisla-

tive intent. *Anderson* v. *Pacific Coast Steamship Co.*, 225 U.S. 187, 325 S. Ct. 626 (1912); *DeSylva* v. *Ballentine*, 351 U.S. 570, 76 S. Ct. 974 (1956). It is self-evident from the legislative history of Section 1400(b) that there was no intent on the part of Congress to change in any way the venue requirements for patent infringement suits against corporate defendants. Indeed, it is manifestly clear that there was an affirmative intent to preserve without change in Section 1400(b) the requirements of the predecessor statute.

The construction of Section 1400(b) adopted by the Court below, pursuant to which the *general* corporate venue provisions of Section 1391(c) are *read into* the exception found in the *special* patent venue Section 1400(b), fundamentally changes and enlarges the venue in patent infringement litigation to permit suit against a corporate defendant in a judicial district where the defendant is *not* incorporated and has *not* infringed but is merely doing business. In practical effect, as to corporate litigants, such a construction (1) emasculates Section 1400(b), (2) violates the plain language of the recodified service of process Section 1694 and (3) constitutes a reversion to the very law which, because of abuses engendered thereby, Congress expunged in 1897 by enacting the first *special* patent venue statute.

In refusing to recognize the exception as to patent venue contained in Section 1400(b) by imposing on Section 1400(b) the broad venue provisions of Section 1391(c), the Court below ignored the fundamental rule of statutory construction that specific statutes prevail over general provisions which might otherwise be controlling, *MacEvoy Co.* v. *United States*, 322 U.S. 102, 107 (1922), which rule this Court applied in holding

the predecessor special patent venue statute, Section 48, to be "the exclusive provision controlling venue in patent infringement proceedings". *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780 (1942). Moreover, the wholly unwarranted construction of Section 1400(b) adopted by the Court below vitiates the underlying purpose of the time-tested special patent venue statute, violates the plain language of Section 1400(b), flies in the face of an obviously contrary legislative intent, and creates obvious incongruities in an otherwise congruous act—a result squarely contrary to the principle expressed by this Court in *Lawson* v. *Suwanee Fruit and Steamship Co.*, 336 U.S. 198, 69 S. Ct. 503 (1949).

ARGUMENT

I. TO RECTIFY ABUSES ENGENDERED BY THE APPLICATION OF GENERAL VENUE PROVISIONS TO PATENT LITIGATION, CONGRESS, IN 1897, FIRST ENACTED THE SPECIAL VENUE STATUTE FORECLOSING PATENT INFRINGEMENT SUITS AGAINST CORPORATE DEFENDANTS IN DISTRICTS WHERE THE DEFENDANT WAS NOT INCORPORATED AND HAD NOT INFRINGED BUT WAS MERELY DOING BUSINESS

Under the *general* venue provisions of the Act of March 3, 1875, c. 137, 18 Stat. 470, patent infringement suits, like other federal cases, were permitted wherever a defendant was "found".[1]

As this Court noted in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780, 781, 86 L. Ed. 1026 (1942):

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[1] For a comprehensive review of the pre-1897 history of the law controlling venue in patent infringement suits, see *Bowers* v. *Atlantic G. & P. Co.*, 104 Fed. 887 (C.C. S.D. N.Y. 1900) and *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780 (1942).

"The abuses engendered by this extensive venue prompted the Act of March 3, 1887, c. 373, 24 Stat. 552, which, as amended by the Act of August 13, 1888, c. 866, 25 Stat. 433, . . ."

* * * * *

"After the holding of In re Hohorst, 150 U.S. 653, 14 S. Ct. 221, 225, 37 L. Ed. 1211, that the Act of 1887 as amended did not apply to a suit against an alien or a foreign corporation, 'especially in a suit for the infringement of a patent right,' the lower federal courts became uncertain as to the applicability of the Act of 1887 to patent infringement proceedings. In explanation of Hohorst's case, it was said in In re Keasbey & Mattison Co., 160 U.S. 221, 230, 16 S. Ct. 273, 275, 40 L. Ed. 402, that 'It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the circuit courts of the United States . . . and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several states.' Thereafter the lower federal courts for the most part took the position that the Act of 1887 as amended did not apply to suits for patent infringement and that infringers could be sued wherever they could be found."

The *special* venue provisions for patent cases, now embodied in Section 1400(b), originated with the Act of March 3, 1897, c. 395, 29 Stat. 695, which was adopted by Congress to clarify venue as to patent infringement actions and to insure that the abusive broad venue provisions of the Act of 1875 would not be applied in patent cases. *Bowers* v. *Atlantic G. & P. Co.*, 104 Fed. 887, 890, 891 (C.C. S.D. N.Y. 1900); *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 563-565, 62 S. Ct. 780 (1942). The Act of 1897 provided:

The distinguished team of revisers[5] of the Judicial Code made every effort to minimize the changes in existing law and to make certain, particularly through the medium of the Reviser's Notes, that everyone concerned with the revision would know at all times exactly what changes were made.[6]

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appear on "superficial examination" '. *United States* v. *American Trucking Assns.*, 310 U.S. 534, 543-44."

In *United States* v. *American Trucking Assns, supra,* the Court said:

> "There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning. When that meaning had led to absurd or futile results, however, this Court has looked beyond the words to the purpose of the act. Frequently, however, even when the plain meaning did not produce absurd results but merely an unreasonable one '*plainly at variance with the policy of the legislation as a whole*' this Court has followed that purpose, rather than the literal words. When aid to construction of the meaning of words, as used in the statute, is available, there certainly can be no 'rule of law' which forbids its use, however clear the words may appear on 'superficial examination'. . . . " (Emphasis added)

[5] The editorial staff of West Publishing Co. and Edward Thompson Publishing Co.; William W. Barron, Chief Reviser; Frank J. Parker, Asst. U.S. Attorney, E.D. N.Y.; and Special Consultants James W. Moore, Prof. of Law, Yale Univ. and Hon. Alexander Holtzoff, Judge D.C. D.C.

[6] Mr. William W. Barron, Chief Reviser of Title 28, in his article on "The Judicial Code, 1948 Revision", reprinted at 8 F.R.D. 439, 441, 445 (1949), said:

> "There was no purpose on the part of the Revision staff to effect any change in existing law. Despite this, the process of comprehensively examining and rewriting the Code disclosed some grave disparities, inconsistencies and ambiguities not correctable by mere codification. This was due, in part to

This Court has said that "The reviser's notes are so obviously authoritative in perceiving the meaning of the code . . .". *United States* v. *National City Lines*, 337 U.S. 78, 81, 69 S. Ct. 995 (1949).

1. The Revisers' Notes Reflect Clear Congressional Intent That the Term "Resides" in Section 1400(b), as Applied to Corporate Defendants, Shall Be Construed to Embrace Only the State of Incorporation of Corporate Litigants

The reviser's notes are silent with reference to any changes in the patent venue law, with the exception of changes in phraseology which are frankly acknowl-

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forty years of piecemeal amendment to the 1911 Judicial Code. Some such problems had manifested themselves in difficult and not wholly satisfactory judicial interpretations. The reviser and the Advisory Committee, upon discovering situations which would not yield to codification, felt in duty bound to apprise Congress of their findings and recommendations. Consequently, a few such changes, substantive in nature, were recommended to Congress. *These were carefully outlined in the reviser's notes, and fully considered by the Judiciary Committee of both houses.* . . .

• • • • •

"Because of the necessity of consolidating, simplifying and clarifying numerous component statutory enactments *no changes of law or policy will be presumed from changes of language in revision unless an intent to make such changes is clearly expressed.*

"*Mere changes of phraseology indicate no intent to work a change of meaning* but merely an effort to state in clear and simpler terms the original meaning of the statute revised.

"Congress recognized this rule by including in its reports the complete Reviser's Notes to each section in which are noted *all instances where change is intended and the reasons therefor.*" (Emphasis added)

The legislative history of the Act is replete with statements that all changes which were made were non-controversial and were clearly expressed and fully explained in the reviser's notes which

pendently,[12] the term "reside" denotes only domicile and, with respect to corporations, only the state of incorporation.

Because the term "reside" in subsections 1391(a) and (b) is employed in reference to *all* litigants, and denotes only domicile, Congress also passed the *general* corporate venue subsection 1391(c) which effectively *enlarges venue* under Sections 1391(a) and 1391(b) *as applied to corporations only* to a scope commensurate with the law as it existed when the 1948 revision of the Judicial Code was adopted. As stated by Chief Judge Phillips in *Ruth* v. *Eagle-Picher,* 225 F. 2d 572, 577 (10th Cir. 1955):

> "The phrase in subsection (c) of § 1391, 'in which it is incorporated or licensed to do business,' merely writes into the venue section the effect of the decision of the Supreme Court in *Neirbo Co.* v. *Bethlehem Shipbuilding Corp.,* 308 U.S. 165, 60 S. Ct. 153, 84 L. Ed. 167. The phrase in subsection (c) 'or is doing business', extends the philosophy of that case to the act of doing business."[13]

In other words, since the general venue provisions of Sections 1391(a) and 1391(b) did not reflect the law with respect to corporations as it existed in 1948,

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[12] As the decision in Stonite Co. v. Melvin Lloyd requires 1400(b) to be construed since 1400(b) is the "exclusive provision controlling venue in patent cases". See Sec. II C, *infra,* for a more detailed consideration of the Stonite case.

[13] For general venue purposes, the practical effect of the Neirbo decision was to subject a corporation to suit in any district in which it was licensed to do business. Contrary to the implication of the Court below in footnote 5 of its opinion (R. 9), Judge Phillips recognized that the Neirbo doctrine was slightly extended by Section 1391(c) but only to the act of doing business. This minor extension hardly constitutes "a sharp break with ancient formulae."

Congress also adopted the enlarged conception of corporate residence peculiar to Section 1391(c) to control venue in all types of corporate litigation not excepted by a special venue provision.

The cross-reference in the reviser's note on Section 1400(b) to the note on Section 1391 thus reflects a clear Congressional intent that the term "resides" in Section 1400(b) be construed to denote domicile just as the same term in Sections 1391(a) and (b) denotes domicile, and in reference to corporate litigants, to *embrace only the state of incorporation,*[14] as did the word "inhabitant" in the prior act.

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[14] The opinion of the Court below purports to find support in the cross-reference in the reviser's notes. After quoting first Section 1391(c) and secondly Section 1400(b), the opinion states (R. 6):

> "As was held with respect to earlier legislation, the second provision should control here . . . . Even so, that requires but the *insertion in it* of the definition of corporate residence from the first provision[1]—just as that definition is properly to be incorporated into other sections of the venue chapter, e.g. §§ 1392, 1393, 1395, 1396, 1397, 1400, etc." (emphasis added)

[1] "As the Reviser's Note to § 1400(b) indeed suggests, in pointing out the identity of 'resident' with 'inhabitant' of the former law and making a specific cross-reference to the like explanation in the Note to § 1391."

It is apparent that the Court below relies upon a distorted construction of the reviser's notes to support an interpretation of Section 1400(b) which defeats the intent of Congress and ignores the controlling precedent of this Court.

The Court below assumes too much in its assertion that the "definition" of corporate residence from Section 1391(c) is to be inserted into Section 1400(b) "just as that section is properly to be incorporated into other sections of the venue chapter, e.g., §§ 1392, 1393, 1395, 1396, 1397, 1400, etc."

In *United Merchants & Manufacturers Inc.* v. *United States*, 123 F. Supp. 435, 439 (M.D. Ga. 1954) in holding the provisions of

". . . In suits brought for the infringement of letters patent the circuit courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, *or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business.* If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought.'"[2] (Emphasis added)

The 1897 statute remained effective for more than half a century and was recodified as to venue as Section 1400(b) and as to process as Section 1694 of the 1948 Judicial Code, c. 646, 62 Stat. 869-994, June 25, 1948, 28 U.S. Code. The 1897 Act was acknowledged by this Court in the Stonite case, *supra,* to be the exclusive statute controlling venue in patent infringement suits as an exception to general venue provisions. Throughout the fifty years from 1897 to 1948, it was consistently and universally *held to prohibit suits in patent infringement cases against corporate defendants in a district in which the defendant was not incorporated and had not infringed but was merely doing business. Bowers* v. *Atlantic G. & P. Co.,* 104 Fed. 887 (C.C. N.Y. 1900); *Motoshaver Inc.* v. *Schick Dry Shaver,* 100 F. 2d 236 (9th Cir. 1938); *Bulldog Electric*

[2] The Act of 1897 was substantially re-enacted by Congress as Section 48 of the Judicial Code of March 3, 1911, c. 231, 36 Stat. 1100, 28 U.S.C. § 109 (1940).

Products Co. v. *Cole Electric Products Co.*, 134 F. 2d 545 (2d Cir. 1943); and *Blaw-Knox Co.* v. *Lederle*, 151 F. 2d 973 (6th Cir. 1945).

In the last judicial expression prior to the 1948 recodification, the Court of Appeals for the Sixth Circuit in *Blaw-Knox Co.* v. *Lederle* (1945), *supra*, held that venue was improperly laid in a patent infringement suit initiated in Ohio against a New Jersey corporation, stating (p. 974):

> "... Section 48 of the Judicial Code, 28 U.S.C.A. § 109, is held to be the sole provision governing the venue of patent infringement litigation. Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S. Ct. 780, 86 L. Ed. 1026. It provides that in patent infringement suits the district court shall have jurisdiction in the district in which the defendant is an inhabitant, or in any district in which the defendant shall have committed acts of infringement and have a regular and established place of business. The petitioner is not an inhabitant of the Northern District of Ohio, and while it may have an established place of business there, it is neither charged nor found to have committed acts of infringement in Ohio ..."

This, then, was the law exclusively controlling venue in patent infringement cases which the Congress recodified in the Act of 1948—a law foreclosing venue in patent cases, such as the one at bar, in a district where a corporate defendant is merely doing business but has *not* committed acts of infringement and is not incorporated.

The Court below has imputed to the Congress an intent to expunge as to corporations this half-century-old special patent venue law and to revert to the very law which, by the Act of 1897, it made expressly in-

applicable to patent cases because of the abuses engendered thereby. Congress, had it intended such a result, certainly would have given it extensive consideration and positive expression.

II. THE RULES OF STATUTORY CONSTRUCTION ENFORCED BY THIS COURT REQUIRE A HOLDING THAT SECTION 1400(b) OF THE 1948 JUDICIAL CODE PRESERVES WITHOUT CHANGE THE MEANING AND APPLICATION OF THE PREDECESSOR SPECIAL PATENT VENUE STATUTE.

A. THIS COURT REQUIRES THAT RECODIFIED STATUTES BE CONSTRUED TO PRESERVE WITHOUT CHANGE THE MEANING ATTRIBUTED TO THE PREDECESSOR STATUTE IN THE ABSENCE OF POSITIVELY EXPRESSED CONGRESSIONAL INTENT TO THE CONTRARY.

This Court has, without deviation, construed recodified statutes to have the same effect as the predecessor statute in the absence of positively expressed Congressional intent to the contrary.

In *Anderson* v. *Pacific Coast Steamship Co.*, 225 U.S. 187, 199, 32 S. Ct. 626 (1912), this Court stated:

> " . . . It will not be inferred that Congress, in revising and consolidating the laws, intended to change their effect, unless such intention is clearly expressed. *United States* v. *Ryder,* 110 U.S. 729, 740, 28 L. Ed. 308, 312, 4 S. Ct. Rep. 196; *United States* v. *LeBris,* 121 U.S. 278, 280, 30 L. Ed. 946, 7 S. Ct. Rep. 894; *Logan* v. *United States,* 144 U.S. 263, 302, 36 L. Ed. 429, 442, 12 S. Ct. Rep. 617; *United States* v. *Mason,* 218 U.S. 517, 525, 54 L. Ed. 1133, 1136, 31 S. Ct. Rep. 28."

The most recent expression by this Court of the above principle is found in *DeSylva* v. *Ballentine,* 351 U.S. 570, 579, 76 S. Ct. 974 (1956), as follows:

> ". . . What we are asked to do is to avoid, on policy grounds, an interpretation of the successor statute which embodies the policy of the earlier Act, a policy which Congress saw fit to effectuate at least until 1870, and which, if changed then, was changed without any discernible display of dissatisfaction with that policy . . . In view of this explicit prior legislation, this Court should not transfuse the successor statute with a gloss of its own choosing, especially where the choice between the alternative policies is as close as this one."

The legislative history of Section 1400(b) demonstrates a positive intent on the part of Congress *to preserve unchanged* the law controlling venue in patent cases.

B. THE LEGISLATIVE HISTORY NOT ONLY NEGATES CONGRESSIONAL INTENT TO MODIFY THE PREDECESSOR SPECIAL PATENT VENUE PROVISIONS BUT REFLECTS CLEAR CONGRESSIONAL INTENT TO PRESERVE IN SECTION 1400(b) THE PREDECESSOR PROVISIONS.[3]

The issue in this case is one of statutory construction of Section 1400(b) to give effect to the intent of Congress. Since this Court may use every available aid in determining the intent of Congress, reference to the legislative history of the Act is eminently proper.[4]

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[3] A convenient source of the legislative history is the special compilation in U.S. Code, Cong. Serv., Special Pamphlet, 80th Cong., 2d Sess., 1487-2174 (1948).

[4] As this Court stated in *Harrison* v. *Northern Trust Co.*, 317 U.S. 476, 479, 63 S. Ct. 361 (1943):

> "But words are inexact tools at best, and for that reason there is wisely no rule of law forbidding resort to explanatory legislative history no matter how 'clear the words may

edged as such. The reviser's note on Section 1400(b) reads in pertinent part as follows:

(1) "Section consolidates section 35 of title 17, U.S.C., 1940 ed., with part of section 109 of title 28, U.S.C., 1940 ed., with necessary changes in phraseology.

(2) "Subsection (b) is based on section 109 of title 28 U.S.C., 1940 ed., with the following changes:

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were appended to and made a part of the House Judiciary Committee Report on the Bill which states:

> "The reviser's notes are keyed to sections of the revision and *explain in detail every change* made in text. References to court decisions are supplied wherever necessary or appropriate." (U.S. Code, Cong. Serv., Special Pamphlet, 80th Cong., 2d Sess. 1699 (1948).) (Emphasis added)

With respect to venue provisions, the House Judiciary Committee Report states:

> "So also, *minor* changes were made in the provisions regulating the venue of district courts in order to clarify ambiguities or to reconcile conflicts. *These are reflected in the Reviser's notes under sections 1391-1406.*" (Id. at p. 1697) (Emphasis added)

The Senate Judiciary Committee Report further emphasizes the fact that changes were minimized and fully identified in the reviser's notes as follows:

> "Many non-controversial improvements have been effected which, while individually small in themselves, add up to a very substantial improvement in and modernization of the law relating to the Federal judiciary. At the same time great care has been exercised to make no changes in the existing law which would not meet with *substantially unanimous approval.*
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> • • • • •
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> " . . . Appended to the report are the reviser's notes to each section, together with accompanying tables. These *explain in great detail* the source of the law and the changes made in the course of the codification and revision." (Id. at p. 1676) (Emphasis added)

(3) "Words 'civil action' were substituted for 'suit', and words 'in law or in equity' after 'shall have jurisdiction' were deleted, in view of rule 2 of the Federal Rules of Civil Procedure.

(4) "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant'. A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident' as respects venue, are synonymous. (See Reviser's note under section 1391 of this title.)

(5) "Words 'whether a ~~person~~, partnership, or corporation' before 'has committed' were omitted as surplusage.

(6) "The provisions of section 109 of Title 28, U.S.C., 1940 ed., relating to process are incorporated in section 1694 of this title.'"[7]

Clearly, *no substantive change is reflected* in the modifications and phraseology acknowledged in the first three paragraphs of the reviser's note. Striking evidence of the intention of Congress *to maintain the prior law unchanged* is found in the fourth, fifth and sixth paragraphs of the note, which affirmatively indicate that the word 'resides' in Section 1400(b) has a scope in all respects coextensive with the word 'inhabitant' in the prior law and, as to corporations, denotes only the state of incorporation but does not embrace merely doing business.[8]

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[7] U.S. Code, Cong. Serv., Special Pamphlet, 80th Cong., 2d Sess. 1851 (1948).

[8] Other portions of the legislative history indicate that no change in patent venue was intended. Numerous witnesses testified, but no one referred to any change in patent venue. On the contrary, they emphasized that changes were minimized and that

a. THE REVISER'S NOTES ESTABLISH THAT THE TERM "RESIDES" IN SECTION 1400(b) AS APPLIED TO CORPORATE DEFENDANTS DENOTES ONLY THE STATE OF INCORPORATION AS DID THE WORD "INHABITANT" IN THE PREDECESSOR ACT BECAUSE "RESIDENT" AND "INHABITANT" ARE SYNONYMOUS FOR VENUE PURPOSES.

Section 1400(b) employs the phrase "where the defendant resides" in lieu of the phrase "of which the defendant is an inhabitant" which was employed in the prior statute.[9] The fourth paragraph of the pertinent reviser's note explains that no change was intended by this change in phraseology because the

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all changes were reflected in the reviser's notes. See the testimony of Representative Keogh (U.S. Code, Cong. Serv., Special Pamphlet, 80th Cong., 2d Sess. 1945, 1947 (1948), Judge Maris (Id. at p. 1959), Mr. Barron, Chief Reviser (Id. at p. 1964), and Professor Moore (Id. at p. 1969). Mr. Barron also stated in his article on the 1948 Judicial Code that all changes were "fully considered by the Judiciary Committee of both Houses". (See note 6, *supra*). It is strikingly significant that no consideration was given to a change in the law controlling venue in patent infringement actions.

[9] Section 48 of the 1911 Judicial Code, 28 U.S.C. § 109 (1926) read as follows:

> "In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district *of which the defendant is an inhabitant*, or in any district in which the defendant, whether a person, partnership or corporation, *shall have committed acts of infringement and have a regular and established place of business.* If such suit is brought in a district *of which the defendant is not an inhabitant*, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought." (Emphasis added)

> "Words 'inhabitant' and 'resident' as respects venue are synonymous"

for the reason that both words, as respects venue, have repeatedly and consistently been held to mean *domicile, and in regard to corporations, the state of incorporation only.*

This fact is demonstrated by the reference in the note under Section 1400(b) to a like note under Section 1391 (not 1391(c)) which in pertinent part states:

> "Word 'reside' was substituted for 'whereof he is an inhabitant' for clarity inasmuch as 'inhabitant' and 'resident' are synonymous. (See *Ex parte Shaw,* 1892, 12 S. Ct. 935, 145 U.S. 444, 36 L. Ed. 768; *Standard Stoker Co. Inc.* v. *Lower,* D.C. 1931, 46 F. 2d 678; *Edgewater Realty Co.* v. *Tennessee Coal, Iron & Ry. Co.,* D.C. 1943, 49 F. Supp. 807) . . ."[10]

Each of the cases cited in the foregoing quotation holds that the words "inhabitant" and "resident" in venue statutes as respects corporations embrace the state of incorporation only.

The word *"reside"* is embodied *only* in subsections (a) and (b) of Section 1391[11] where, just as in Section 1400(b), it is used in *generic* reference to *both corporate* and *non-corporate litigants.* In each of these subsections (a) and (b), when construed inde-

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[10] U.S. Code, Cong. Serv., Special Pamphlet, 80th Cong. 2d Sess. 1847 (1948).

[11] Sections 1391(a) and 1391(b) deal with venue generally in civil actions involving all classes of defendants including actions in which jurisdiction is founded wholly or in part on diversity, and replace sections 111 and 112 of the prior statute.

Neither in the reviser's notes, nor elsewhere, is there the slightest evidence of Congressional intent that the specific provisions of Section 1400(b) should be enlarged by the provisions of Section 1391(c) in the same manner as the general provisions of Sections 1391(a) and (b) are enlarged. Indeed, there is no indication of Congressional intent that Section 1391(c) should enlarge any of the exceptions contemplated by the special venue sections of the venue chapter.

b. THE EMASCULATION OF SECTION 1400(b) EFFECTED BY THE INTERPRETATION ADOPTED BY THE COURT BELOW DEFEATS THE INTENT OF CONGRESS AS POSITIVELY EXPRESSED IN THE REVISER'S NOTES.

Section 1400(b) provides that a suit for patent infringement may be brought in the judicial district

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Section 1391(c) inapplicable to Section 1402(a) controlling venue in suits against the United States, the Court stated:

> "This Court is of the opinion that Congress did not intend by Section 1391(c) to change the meaning of Section 1402(a) and that for the purposes of the latter section, a corporation still resides in the state of its incorporation."

The *United Merchants & Manufacturers* case demonstrates the havoc that can be wrought if the provisions of Section 1391(c) are mechanically read into each of the special venue sections of the venue chapter. If such provisions were made applicable to Section 1402(a), a corporation could sue the United States under Section 1402(a) in any state in which it is doing business. For a decision reaching this result, see *Southern Paperboard Corp.* v. *United States*, 127 F. Supp. 649 (1955). It was the rule prior to the passage of the 1948 Judicial Code that under the predecessor statute a corporation could sue the United States only in the state of its incorporation. *Reid Wrecking Co.* v. *United States*, 202 Fed. 314 (N.D. Ohio 1913). Congress would not have reversed this policy without extensive consideration and consultation with the Justice Department and a clear expression of intent so to do.

(a) where the defendant *resides,* or

(b) where the defendant has committed acts of infringement *and* has a regular and established place of business.

Interpretation of the word "resides" in the first alternative of Section 1400(b) to have the enlarged meaning peculiar to Section 1391(c) obviously renders the second alternative meaningless and redundant as regards corporate defendants. The anomalous result was highlighted by the Seventh Circuit Court in *O-O-Two Fire Equipment Co. v. Barnes,* 194 F. 2d 410, 413 (1952) by recasting Section 1400(b) to impose thereon the provisions of Section 1391(c), in which form it would read:

> "Any civil action *against a corporation* for patent infringement may be brought in the judicial district where the defendant resides, *to wit, in the judicial district in which it is incorporated or licensed to do business or is doing business,* or where the defendant has committed acts of infringement and has a regular and established place of business." (Court's emphasis)

In regard to corporate litigants, the first alternative of Section 1400(b) thus reconstituted becomes abortive as a venue *limitation* in view of Section 1391(c), and the second alternative becomes meaningless and surplusage, if not entirely contradictory of the first. If a corporation may be sued where it "is doing business", no purpose is served by the second venue alternative which reads "where the defendant has committed acts of infringement *and* has a regular and established place of business".[15]

[15] Moreover, the use in the first alternative of Section 1400(b) of the terminology "*the* judicial district where the defendant

Moreover, the decision of the Court below entails the incongruous construction of the term "defendant" in the *first* alternative of Section 1400(b) to *include corporations;* and in the *second* alternative, to *exclude corporations* and embrace *only* individuals and partnerships.

The Court below adopts the tactic of "confession and avoidance" in reference to the emasculation of Section 1400(b) implicit in its decision. The opinion in pertinent part states (R. 10):

> "We should notice a final argument occasionally made, that the construction supported by plaintiffs *will render the second alternative of § 1400(b) of no practical utility.* Having in mind the manner in which the new Code was prepared, as st' d above, it seems doubtful if any deduction of importance is to be drawn from the mere cir-

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resides" contemplates one judicial district where the defendant is domiciled. A corporation, of course, is domiciled only in the state in which it is incorporated. Districts outside of the state in which a corporate defendant in patent infringement cases is incorporated are, therefore, outside of the scope of the first alternative of Section 1400(b). Had a broader scope been intended, Congress could easily have said "any judicial district . . .". This Court, speaking through Mr. Justice Murphy, has held that "the" as used in statutes is a definite article. *Great Northern Ry. Co.* v. *United States,* 315 U.S. 262, 271 (1942).

Congress obviously intended to establish a venue rule of limited scope in the first alternative of Section 1400(b) and of enlarged scope in the second alternative. In the first alternative, venue is limited to the *one* district of the defendant's domicile. In the second alternative, venue is enlarged to include other districts where the defendant is merely doing business *provided* acts of infringement are committed within such districts. The explicit intent of Congress may not be perverted by resort to the general corporate provisions of Section 1391(c) to enlarge the scope of venue in patent infringement suits beyond the clear limits of either alternative of Section 1400(b).

cumstance of continuance of provisions useful in the earlier legislation, 28 U.S.C. former § 109; and no such deduction has been made with reference to the provision for venue of cases under the Jones Act, as we have seen. *But it is quite clear that this alternative provision does have a sphere of decided usefulness in litigation against non-corporate defendants, and some provision of this nature was imperative.*"[16] (Emphasis added)

The effect of its decision to arbitrarily *restrict* the practical application of the second alternative of Section 1400(b) to *non-corporate* defendants is thus tacitly acknowledged by the Court below. *But such restriction is squarely in the teeth of the intent of Congress, as positively reflected in the Reviser's Notes.*

The second alternative of the predecessor act, Section 48 of the 1911 Judicial Code, expressly *included* corporate defendants. That provision stated that a patent infringement suit could be brought—

"in any district in which the defendant, *whether a person, partnership, or corporation,* shall have committed acts of infringement and have a regular and established place of business." (Emphasis added)

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[16] The assertion that "it seems doubtful if any deduction of importance is to be drawn from the mere circumstance of continuance of provisions useful in the earlier legislation, 28 U.S.C. former § 109" ignores the rule of interpretation, repeatedly announced by this Court:

"It will not be inferred that Congress, in revising and consolidating the laws, intended to change their effect, unless such intention is clearly expressed." *Anderson* v. *Pacific Coast Steamship Co.* and other cases cited in Section II A hereof, supra, page 10.

The fourth paragraph of the reviser's notes pertinent to Section 1400(b) states that—

> "Words 'whether a person, partnership, or corporation' . . . were omitted as surplusage."

Thus, the intention of Congress *to insure the applicability and utility* of the second alternative in regard to *all classes of defendants, corporate or otherwise, was positively manifested.*

The only construction of the term "resides" as used in Section 1400(b) which imputes utility to that section in determining venue in patent infringement suits against corporations is that it denotes domicile and as to corporations, state of incorporation. This is the historic meaning of the patent venue section which Congress preserved in Section 1400(b).

c. Section 1694 Which Controls Service of Process in Patent Infringement Cases Demonstrates the Congressional Intent That the Word "Resides" in Section 1400(b) Shall Not Be Ascribed the Enlarged Scope Peculiar to Section 1391(c).

Both venue and service of process in patent infringement cases were controlled by a single Section 48 of the Act of 1911, 28 U.S.C. § 109 (1926). That portion of Section 48 relating specifically to venue in patent infringement cases became Section 1400(b) of the 1948 Act. That portion of Section 48 relating to service of process became Section 1694 of the 1948 Act.[17] It is not reasonable to urge that Congress

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[17] The final paragraph of the reviser's notes under Section 1400(b) states:

> "The provisions of section 109 of title 28, U.S.C., 1940 ed., relating to process are incorporated in section 1694 of this title."

changed the law of venue in patent cases and did not intend a similar change in regard to service of process, particularly since Sections 1400(b) and 1694 both stem from a single provision of the prior law. Clearly, Sections 1400(b) and 1694 must be construed together to achieve a harmonious result. Section 1694 provides as follows:

> "In a patent infringement action commenced in a district *where the defendant is not a resident but has a regular and established place of business,* service of process, summons or subpoena upon such defendant may be made upon his agent or agents conducting such business." (Emphasis added)

It is of controlling significance that Section 1694 explicitly recognizes that, for patent infringement cases, the mere *establishment of a place of business* in a district does not make the defendant a *resident* of such district. Insofar as corporate defendants are concerned, the clause "a district where the defendant is not a resident" in Section 1694 has precisely the same meaning as the equivalent clause in the predecessor statute, to wit: a district outside of the state in which the defendant is incorporated.

Consequently, when Sections 1400(b) and 1694 are read together—as they must be—it is self evident that the provisions of Section 1391(c) may not be imposed on Section 1400(b).

2. The Clear and Express Acknowledgment in the Reviser's Notes of Substantive Change in Respect to Other Sections Emphasizes the Intent of Congress to Preserve the Antecedent Law Unchanged in Section 1400(b).

The Court below emphasized the fact that some changes were made in the recodification of Title 28 which were substantive in nature. The reviser's notes, however, explicitly identify such changes. Hence, the fact that the notes negative intent to make a change in Section 1400(b) serves sharply to emphasize the intention to preserve the antecedent law unchanged as regards venue in patent infringement litigation.

Section 1404(a) considered by this Court in *Ex parte Collett,* 337 U.S. 55, 69 S. Ct. 944 (1949) represents still another change expressly recognized and explained by the reviser's notes. In that case, this Court stated (p. 57, 68):

> "The reviser's notes, which accompany each section of the Code, here read as follows: 'Subsection (a) was drafted in accordance with the doctrine of *forum non conveniens* permitting transfer to a more convenient forum, even though the venue is proper. As an example of the need of such a provision, see *Baltimore & Ohio R. Co.* v. *Kepner,* 1941, 314 U.S. 44, 62 S. Ct. 6, 86 L. Ed. 28, which was prosecuted under the Federal Employer's Liability Act in New York, although the accident occurred and the employee resided in Ohio. The new subsection requires the court to determine that the transfer is necessary for convenience of the parties and witnesses, and further, that it is in the interest of justice to do so. The precise issue before us is whether, despite these expressions, the law remains unchanged. Petitioner so contends.
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> * * * * *

> "The initial appearance of § 1404(a) was in the Second draft of the Code adopted by the meeting of May, 1945. Its text has remained unchanged. It was accompanied by a reviser's note, which recited that 'Subsection (a) is new.' It was drafted in accordance with a memorandum of Mar. 7, 1945, from the author of Moore's Federal Practice, stating that recognition should be given the doctrine of *forum non conveniens*. . . . The balance of that note was substantially the same as the present reviser's note; it expressly cited the Kepner case, an action under the Federal Employer's Liability Act, as demonstrating the need for § 1404(a). *And the reviser's notes were before the Congress at every subsequent legislative step.* (Court's emphasis)

In *Ex parte Collett,* this Court merely followed the intent of Congress in extending the doctrine of *forum non conveniens* to Section 6 of the Federal Employer's Liability Act.

The specious reasoning of the Court below is quite apparent from its reliance on the Collett decision which it asserts is "so analogous as to be authoritative here". In the first place, interpretation of Section 1400(b) by reference to a broad venue section runs counter to the rule of the Stonite case, *supra,* that the special patent venue section exclusively controls venue in patent cases. Moreover, *Ex parte Collett* is fundamentally distinguishable from the issue presented by the case at bar and hence clearly inapposite as recognized by the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Co.* v. *Barnes,* 194 F. 2d 410, 414 (1952) as follows:

> "There the court was dealing with two sections, one which bestowed venue and the other which provided for transfer when venue was properly

> laid, and the latter did not 'limit or otherwise modify any right granted in' the former. Thus the Court gave effect to both provisions because they were not inconsistent and neither provision abridged any right contained in the other. In contrast, the two sections in the instant matter both relate to venue and they cannot be applied as intervenor would have us do, without making one section dependent upon the other and, as already shown, this would result for all practical purposes in the emasculation of Section 1400(b)."

In this case, the legislative history, as well as every other significant factor, inevitably points to the conclusion that the 50-year-old patent venue provision was re-enacted without any change in substance to foreclose patent infringement suits against corporate defendants in judicial districts where the defendant is not incorporated and has not infringed, but is merely doing business.

C. THIS COURT REQUIRES THAT SPECIFIC STATUTORY PROVISIONS MUST PREVAIL OVER GENERAL STATUTORY PROVISIONS.

It has been established that Section 1400(b) is the recodification of a *special* patent venue statute enacted by the Congress as an exception to general venue provisions to rectify the abuses engendered by the application of general venue provisions to patent infringement cases.

It is a basic rule of statutory construction, followed by this Court, that specific statutes prevail over general provisions which might otherwise be controlling. In *MacEvoy Co.* v. *United States,* 322 U.S. 102, 107 (1944), this Court stated:

> ". . . However inclusive may be the general language of a statute, it 'will not be held to apply to

> a matter specifically dealt with in another part of the same enactment . . . Specific terms prevail over the general in the same or another statute which otherwise might be controlling.' *Ginsberg & Sons* v. *Popkin,* 285 U.S. 204, 208."

In *Stonite Products Co.* v. *Melvin Lloyd Co.,* 315 U.S. 561, 62 S. Ct. 780 (1942), this fundamental rule was applied to the special patent venue statute. In the Stonite case, this Court observed (p. 561):

> "The only question presented for our determination is whether § 48 of the Judicial Code (28 U.S.C. § 109) is the sole provision governing the venue of patent infringement litigation, or whether that section is supplemented by § 52 of the Judicial Code (28 U.S.C. § 113)."[18]

The language of Section 52 was general and literally applied to "every suit not of a local nature". It was held that Section 48 was *"the exclusive provision controlling venue in patent infringement proceedings"*, and must be independently construed.[19]

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[18] (Sec. 52, Judicial Code; 28 U.S.C. § 113). "When a State contains more than one district, every suit not of a local nature, in the district court thereof, against a single defendant, inhabitant of such State, must be brought in the district where he resides; but if there are two or more defendants, residing in different districts of the State, it may be brought in either district, and a duplicate writ may be issued against the defendants, directed to the marshal of any other district in which any defendant resides . . . "

[19] In explanation of its ruling, the Court stated (p. 566):

> ". . . Respondents insist that Section 52 applies to patent infringement suits because it antedates Section 48, excludes from its purview only suits of a local nature, and is consistent with and complementary to Section 48 since it deals with the problem of venue in the geographical sense rather

The present case is controlled by the Stonite decision which forecloses emasculation of Section 1400(b) "*by insertion* in it of the definition of corporate residence" from Section 1391(c).[20]

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than in terms of specified classes of litigation. We cannot agree.

"Even assuming that R.S. § 740 covered patent litigation prior to the Act of 1897, we do not think that its application survived that Act, which was intended to define the exact limits of venue in patent infringement suits . . . ."

* * * * *

"The reenactment of the Act of 1897 as Section 48, and of R.S. §740 as Section 52 of the Judicial Code by the Act of March 3, 1911, c. 231, 36 Stat. 1100, 1101, is not indicative of any Congressional understanding that the two sections are complementary . . ."

[20] Numerous lower courts have applied the principle enunciated in the Stonite case to the construction of Section 1400(b).

In *Ackerman* v. *Hooks*, 183 F. 2d 11, 14 (3d Cir. 1950), the Court of Appeals held:

"The reviser's notes make it evident that today, 1400(b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 and that the Stonite case is just as much in point now as then."

In *Nachtman* v. *Jones & Laughlin Steel Corp.*, 90 F. Supp. 739, 740 (D. Col. 1950), the Court held:

"The Supreme Court in the case of *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561, 62 S. Ct. 780, 86 L. Ed. 1026, has held that the patent infringement venue statute was enacted by the Congress as an exception to the general venue statute and not that the two sections are complementary. While this decision was based on a prior Act, 29 U.S.C.A. Sec. 109, the basic principle enunciated therein remains the same under the present Code provision."

In *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, 92 F. Supp. 16, 19 (S.D. Cal. 1950), affd. by equally divided Court, 344 U.S. 861 (1952), Judge Harrison held:

D. THE RULE OF STATUTORY CONSTRUCTION ADOPTED BY THIS COURT IN LAWSON v. SUWANEE FRUIT & STEAMSHIP CO.[21] FORECLOSES THE IMPOSITION OF INCONGRUITIES ON SECTION 1400(b) IMPLICIT IN THE COURT OF APPEALS' CONSTRUCTON THEREOF.

It is apparent that "insertion in" Section 1400(b) of the enlarged concept of residence peculiar to Section 1391(c) renders the patent venue statute wholly incongruous and defeats the purpose of Congress by effecting an obviously unintended, fundamental change in the law.

The ruling of this Court in *Lawson* v. *Suwanee Fruit & Steamship Co., supra,* is directly in point and forecloses the emasculation of Section 1400(b) effected by the Court below.

The Lawson case required a construction of the Longshoremen's and Harbor Workers' Compensation Act, 44 Stat. 1424, 33 U.S.C., § 901, *et. seq.* A general provision, Section 2, defines the term "disability" as used in the Act. A specific provision, Section 8(f)(1), of the same Act uses the identical term "disability". In that case, the Congressional intent, discernible from the language of the Act and the legislative history, plainly indicated that the term as used in the specific

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"In conformity with my conclusions I hold that Section 1391(c) is not complementary to Section 1400(b); that the word 'resides' in Section 1400(b) means the same as the word 'inhabitant' in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400(b). I believe the Stonite case is still the law and the fact that the defendant committed no acts of infringement in this district indicates to me that the venue is improper."

For other decisions, see footnote 25, *infra.*

[21] 336 U.S. 198, 69 S. Ct. 503 (1949).

provision had a meaning different from the meaning expressed in the general provision of the statute. Thus, the insertion in the specific section of the definition from the general section would do violence to the intended purpose of the specific provision. In the words of Mr. Justice Murphy, this Court, in spite of the fact that Section 2 expressed no exceptions to the application of the broad definition, held as follows (p. 201):

> "Statutory definitions control the meaning of statutory words, of course, in the usual case. But this is an unusual case. If we read the definition into § 8(f)(1) in a mechanical fashion, we create obvious incongruities in the language, and we destroy one of the major purposes of the second injury provision: . . . We have concluded that Congress would not have intended such a result."

So in this case, if the artificial extension of corporate residence of Section 1391(c) is read into Section 1400(b) in a mechanical fashion, obvious incongruities in language are created and a major purpose of the Act is destroyed. We cannot impute to the Congress an intention to create such an anomalous result.

Moreover, the circumstances of the instant case are even stronger than those of the Lawson case in compelling the conclusion that the specific provision of Section 1400(b) should not be modified by the conflicting general provision of Section 1391(c). In the Lawson case, the term "disability" was defined in the general definition section of the Act, and was expressly made applicable to the whole Act. In this case, Section 1391(c) states only that certain districts "*shall be regarded* as the residence" of a corporation, thus qualifying the general provisions of 1391(a) and

1391(b) of the general venue section as to which Section 1400(b) is an exception.

III. THE CONSTRUCTION URGED BY PETITIONER IS HIGHLY PRACTICAL FOR THE CONVENIENT ADMINISTRATION OF JUSTICE AND EXPRESSES SOUND POLICY OF LONG STANDING.

Some of the more cogent reasons for the restriction of venue in patent infringement cases were well stated by Chief Judge Phillips speaking for the Tenth Circuit Court of Appeals in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572, 577 (10th Cir. 1955) as follows:

> "The patent venue statute, as construed in Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S. Ct. 780, 86 L. Ed. 1026, reflected a sound policy of long standing. It was based on considerations of practicality and convenience in such litigation. A patent infringement action involves a peculiar combination of science or technology and law. In the ascertainment of the pertinent technical facts, it is important that the trial judge have first-hand visual and audible knowledge of the conditions, the environment and the art itself and the testimony of the most competent witnesses. Practicality and convenience are best served when the case is prosecuted where the alleged acts of infringement occur and the defendant has a regular and established place of business.
>
> "An intention on the part of Congress to depart from that policy should not be lightly inferred."[22]

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[22] For other decisions wherein the courts referred to the importance of inspection of the machinery involved, either by court or counsel or both, see *H. H. Miller Industries Co.* v. *Emery Thompson Machinery & Supply Co.*, 28 F. 2d 420, 422 (S.D. N.Y. 1928); *Rowell* v. *William Kochl Co.*, 194 Fed. 446 (W.D. N.Y. 1912); *Consolidated Window G. Co.* v. *Window G. Mach. Co.*, 261 Fed. 362, 365 (3d Cir. 1919); *Cowles Co.* v. *Frost White Paper Mills*, 77 F. Supp. 124, 130 (S.D. N.Y. 1948).

The special patent venue statute also prevents infringement suits calculated to harass defendants in inconvenient locations but justified on technical venue grounds. The Statute prevents the overloading of courts in metropolitan areas wherein corporations, at most, maintain a naked place of business. By limiting venue, it diminishes the perpetuation of patent litigation and undue harassment of the courts by multiple suits against others in additional jurisdictions after the patent has once been adjudicated. It minimizes the practice of venue shopping patent owners seeking to bring suits in jurisdictions deemed more likely to view favorably the validity of their patents.

Such practical considerations led Congress to first enact in 1897 and reenact in 1948 the special statute providing an exception for venue in patent infringement suits. That statute requires that corporations be sued *where the wrong occurred* or in the state of their incorporation, and has worked satisfactorily for over half a century to remedy evils prevailing under earlier general venue provisions. It has served to afford to patentees an adequate opportunity to assert their rights. The construction of Section 1400(b) adopted by the Court of Appeals emasculates the language and destroys the real purpose of the special patent venue statute.

The Court below in justifying its conclusion that the 1948 Judicial Code drastically changed the law with respect to venue in patent infringement cases stated (R. 9):

> "the rational of this sharp break with ancient formulae is quite obviously a response to a general conviction that it was 'intolerable if the traditional concepts of "residence" and "presence"

kept a corporation from being sued wherever *it was creating liabilities'.*"[23] (Emphasis added)

Here, the Court of Appeals has merely stated the reason for the rule in the case of *Neirbo* v. *Bethlehem Shipbuilding Corp.*, 308 U.S. 165, 60 S. Ct. 153 (1939). It has justified the existence of Section 1391(c) which permits corporations to be sued where they are creating liabilities. Section 1400(b), construed as petitioner urges, is consistent with this policy and permits corporations to be sued in districts *where they are creating liabilities,* to wit, committing acts of infringement, but wisely limits venue to such jurisdictions with the single exception that a corporation may always be sued at its domicile.[24] Thus, the decision of the Court of Appeals which permits suits against corporations where they are *not* creating liabilities, flies in the teeth of its own statement of policy.

Section 1400(b) construed as petitioner contends, continues a long-standing policy, born of experience and preserved by this Court in the *Stonite* case. The lower court has imputed to Congress, in its recodification of the Judicial Code in 1948, an unexpressed intent to destroy a cornerstone of the law which it sought to codify.[25]

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[23] In a patent infringement case, liability is created where the infringement occurs.

[24] Contrary to the assertion of the Court below in footnote 7 of its opinion (R. 10), the concept making the place of the wrong important is not new in Section 1400(b). This concept was embraced by the first special patent venue statute in 1897.

[25] The Courts of Appeals of two circuits have held, in accordance with petitioner's contention, that Section 1400(b) is an inde-

(Continued on page 36.)

IV. CONCLUSION

The District Court correctly dismissed the complaint for want of venue. The Court of Appeals committed

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pendent section which is not modified by the provisions of Section 1391(c) relating to corporate venue generally.

Ruth v. *Eagle-Picher Co.*, 225 F. 2d 572 (10th Cir. 1955); *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (7th Cir. 1952), aff'd. by equally divided court 344 U.S. 861 (1952); See also *Ackerman* v. *Hook*, 183 F. 2d 11 (3d Cir. 1950). The Fifth Circuit Court of Appeals shares the contrary view of the Court below. *Dalton* v. *Shakespeare Co.*, 196 F. 2d 469 (5th Cir. 1952); *Guiberson* v. *Garrett*, 205 F. 2d 660 (5th Cir. 1953).

Further, the overwhelming majority of district courts which have considered the question at bar, including the district court below, have supported the construction urged by petitioner.

Arkay Infants Wear Inc. v. *Kline's Inc.*, 85 F. Supp. 98 (W.D. Mo. 1949); *Curtis* v. *Madovoy*, 84 F. Supp. 637 (E.D. N.Y. 1949); *Fischer* v. *Karl*, 84 F. Supp. 53 (E.D. N.Y. 1949); *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Co.*, 92 F. Supp. 16 (1950), aff'd. by equally divided court 344 U.S. 861 (1952); *Nachtman* v. *Jones & Laughlin Steel Corp.*, 90 F. Supp. 739 (D.C. D.C. 1950); *Rava* v. *Westinghouse Electric Corp.*, 90 F. Supp. 707 (S.D. N.Y. 1950); *Federal Electric Products Co.* v. *Frank Adams Electric Co.*, 100 F. Supp. 8 (S.D. N.Y. 1951); *Pierce* v. *Perlite Aggregates*, 110 F. Supp. 684 (N.D. Cal. 1952); *Ronson Art Metal Works* v. *Brown & Bigelow Inc.*, 104 F. Supp. 716 (S.D. N.Y. 1952); *Transmirra Products Corp.* v. *Magnavox Co.*, 110 F. Supp. 676 (S.D. N.Y. 1953); *Clayton* v. *Swift & Co.*, 132 F. Supp. 154 (E.D. Va. 1955); *Jones* v. *R.C.A.*, 129 F. Supp. 440 (S.D. N.Y. 1955); *Otto* v. *Koppers Co.*, 134 F. Supp. 886 (N.D. W.Va. 1955); *Fairhope Fabrics Inc.* v. *Mohawk Carpet Mills*, 140 F. Supp. 313 (D. Mass. 1956); *Kamkap Inc.* v. *Worldsbest Industries*, 140 F. Supp. 854 (S.D. N.Y. 1956). The contrary view was held in *Denis* v. *Perfect Parts*, 142 F. Supp. 259 (D. Mass. 1956) and *Farr Co.* v. *Gratiot*, 92 F. Supp. 320 (S.D. Cal. 1950). It is significant that in the subsequent California case of *Pierce* v. *Perlite Aggregates*, *supra*, Judge Lemmon, now on the Ninth Circuit Court of Appeals, adopted the construction urged by petitioner.

reversible error in holding that venue was proper, which holding it is respectfully urged this Court should reverse.

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APPENDIX A

(Portions of Title 28, U.S. Code, (1948))

Section 1391: Venue Generally.

"(a) A civil action wherein jurisdiction is founded only on diversity of citizenship may, except as otherwise provided by law, be brought only in the judicial district where all plaintiffs or all defendants reside.

"(b) A civil action wherein jurisdiction is not founded solely on diversity of citizenship may be brought only in the judicial district where all defendants reside, except as otherwise provided by law.

"(c) A corporation may be sued in any judicial district in which is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

"(d) An alien may be sued in any district". (June 25, 1948, c. 646, 62 Stat. 935.)

Section 1400: Patents and Copyrights.

"(a) Civil actions, suits, or proceedings arising under any Act of Congress relating to copyrights may be instituted in the district in which the defendant or his agent resides or may be found.

"(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides or where defendant has committed acts of infringement and has a regular and established place of business". (June 25, 1948, c. 646, 62 Stat. 936.)

Section 1694: Patent Infringement Action.

"In a patent infringement action commenced in a district where the defendant is not a resident but has a regular and established place of business, service of process, summons or subpoena upon such defendant may be made upon his agent or agents conducting such business". (June 25, 1948, c. 646, 62 Stat. 945.)

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY, *Petitioner*

v.

TRANSMIRRA PRODUCTS CORP. and ROBERT ARONSTEIN, *Respondents*

On Writ of Certiorari to the United States Court of Appeals for the Second Circuit

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REPLY BRIEF FOR THE PETITIONER

The controlling facts and law, herein delineated, require a holding for petitioner and are in large part conceded by respondents.

I. Congress, in 1897, as a Matter of Policy, Now Perpetuated in Section 1400(b), Excepted Patent Infringement Cases From the General Venue Law and Enacted for the First Time a Special Patent Venue Statute, the Provisions of Which Were Maintained Without Change for Fifty Years and Were in Effect When the 1948 Act Was Adopted.

This fact is conceded by respondents who state:

> " . . . the Act of March 3, 1897, c. 395, 29 Stat. 695[13] . . . for the first time in this country's history made special provision for patent suits." (Res. Br. 12-13)
>
> "Section 1400(b) should be read for what it is:—one of several special sections . . . " (Res. Br. 3)[1]

It is *this* clearly expressed Congressional policy to place patent venue in a *special* category—a policy in effect continuously since 1897 and reaffirmed by Congress many times during that period—which is controlling in this case, and it is this policy, which at

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[1] Footnote 13 of respondents' brief, to which reference is made in the foregoing quotation, includes a reproduction of the 1897 Act and its successor, Section 48 of the 1911 Judicial Code, which "became Section 109, 28 U.S.C. (1926)". (Res. Br. 13, Note 13). Section 109 was, of course, the special patent venue statute in effect in 1948.

Respondents' brief, in numerous other places, acknowledges that venue in patent infringement cases had been controlled by a *special* venue statute from 1897 until the present, e.g., ". . . § 1400(b) . . . the special patent venue section . . ." (Res. Br. 5) "The 1897 Act first gave patent venue *special* treatment." (Res. Br. 44)

least as to corporations, is wholly vitiated by the ruling of the court below.[2]

Nor can justification for such vitiation be found in the argument of respondents that merely because the patent venue law may have been broader, in its inception in 1897, than was the general corporate venue law in effect at that time, Section 1400(b) must be judicially construed to effect a fundamental change in the scope of patent venue. Such an argument pointedly ignores the changes effected in the general venue law in the half century from 1897 to 1948. Indeed, essentially the same argument was accepted by the Court

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[2] As noted in petitioner's opening brief:

> "The effect of its decision to arbitrarily *restrict* the practical application of the second alternative of Section 1400(b) to *non-corporate* defendants is thus tacitly acknowledged by the court below. *But such restriction is squarely in the teeth of the intent of Congress, as positively reflected in the revisers' notes.*"

The second alternative of the predecessor act, Section 48 of the 1911 Judicial Code, expressly *included* corporate defendants. That provision stated that a patent infringement suit could be brought—

> "in any district in which the defendant, *whether a person, partnership or corporation,* shall have committed acts of infringement and have a regular and established place of business." (emphasis added)

The fourth paragraph of the revisers' notes pertinent to Section 1400(b) states that—

> "Words 'whether a person, partnership, or corporation' . . . were omitted as surplusage."

Thus, the intention of Congress *to insure the applicability and utility* of the second alternative in regard to *all classes of defendants, corporate or otherwise, was positively manifested.*" (Pet. Br. 23, 24)

of Appeals in *Melvin Lloyd Co.* v. *Stonite Products Co.*, 119 F. 2d 883, 887 (3d Cir. 1941), in support of its *erroneous* holding that the special patent venue statute was enlarged by Section 52 of the pre-1948 Judicial Code whereby the policy of Congress to maintain patent venue in a special category was to a significant extent vitiated. The Court of Appeals stated:

> "Our historical review reveals that Congress had always accorded to patent litigants a broader venue than that extended to other civil litigants. In the light of this legislative history it hardly seems likely that Congress intended by the Act of 1897 to withdraw from patent litigants the statewide venue which it had accorded from the beginning to all others."

This Court, in its decision *reversing* the Court of Appeals in *Stonite* at 315 U.S. 561, 565, 566 (1942) brought the issue sharply back into focus with the following observations:

> "The Act of 1897 was adopted to define the exact jurisdiction of the federal courts in actions to enforce patent rights and thus eliminate the uncertainty produced by the conflicting decisions on the applicability of the Act of 1887 as amended to such litigation. *That purpose indicates that Congress did not intend the Act of 1897 to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings.*
>
> * * * * *
>
> ". . . Furthermore, the Act of 1897 was a restrictive measure, limiting a prior, broader venue. General Elec. Co. v. Marvel Rare Metals Co., 287 U.S. 430, 434, 435, 53 S.Ct. 202, 204, 77 L.Ed. 408; Bowers v. Atlantic, G. & P. Co., C.C., 104 F. 887; Cheatham Electric Switching Device Co. v.

Transit Development Co., C.C., 191 F. 727." (Emphasis added)[3]

Respondents argue, the findings of this Court in *Stonite* notwithstanding, that the special patent venue act must be fundamentally enlarged by judicial construction of Section 1400(b) "to dovetail", as to corporations, "with the general provisions relating to venue in civil suits." It is urged that such judicial enlargement is necessary to implement "modern"

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[3] As stated in petitioner's brief, one of the purposes of the 1897 Act was to avoid abuses resulting from the application of broad general venue provisions to patent infringement suits (Pet. Br. 4). The foregoing quotation from *Stonite* implicitly recognizes this purpose in reliance upon the analysis of Judge Coxe in *Bowers* v. *Atlantic, G. & P. Co.*, 104 Fed. 887, 889 (C.C. S.D. N.Y. 1900). Judge Coxe stated:

> "The abuses which this condition of affairs [under the 1875 Act] permitted were many and serious and it was largely to correct them that the Act of 1887-88 was passed. . . . The purpose of the Act being to narrow the federal jurisdiction, it may well be inferred that Congress intended to limit it as to all classes of actions, infringement suits included, *for in no branch were complaints of injustice and oppression more numerous. In this Congress failed* . . .
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> * * * * * * *
>
> "The circuit courts [after the decisions of this Court in *In re Hohorst*, 150 U.S. 653, and in *In re Keasbey*, 160 U.S. 221] held that the Act of 1887 did not affect infringement suits and that the jurisdiction was *as broad as it had been before the passage* of that act. . . . Accordingly, *any district* where the defendant happened to be served, *no matter how distant from his home or place of infringement*, was a proper one in which to begin the action.
>
> "This was the situation when the Act of March 1897 was passed,—15 months after the decision in Re Keasbey & Mattison Co. The court is unable to discover anything in the cir-

venue policy by which a corporate defendant is subject to suit *where it creates liabilities.* (Res. Br. 6-18)

The true facts are that the "modern" policy of rendering a defendant amenable to suit in a jurisdiction where a liability is created had its inception in the first special patent venue act of 1897. As repeatedly acknowledged in respondent's brief, one of the main purposes of the bill which resulted in the 1897 Act was to "make possible patent suits *where defendants had located infringing businesses*"; in other words, where infringement liability was created. (Res. Br. 14, and notes 15, 16, 17 and 18, pp. 14-15).

Because the special patent venue law, now Section 1400(b), throughout the more than fifty years since its inception in 1897, has embodied the "modern" principles of fairness by subjecting infringement de-

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cumstances leading up to the passage of this act to aid the contention of the complainants that it broadened the jurisdiction of the circuit courts in patent causes . . .

". . . The Act of 1897 is in the nature of a compromise between the Act of 1875 and the Act of 1887; the former was too broad; the latter is too narrow." (Emphasis added)

Thus, it is clear that Congress, in making infringement defendants suable "where they had located infringing businesses" *restricted* patent venue with respect to the abusively broad general venue which, as *Stonite* makes clear, was then being applied. Further, Mr. Mitchell who reported the 1897 Act (quoted, Res. Br. 14, 15, note 16) stated that the patent bar agreed that the act not only defined but *limited* patent jurisdiction. After pointing out that an amendment making a defendant suable where he had infringed *or* where he had a place of business had been rejected and that *both* conditions must be met, Mr. Mitchell additionally stated that "under the line of decisions which permit his being sued *anywhere 'if found'*, this act . . . *limits* to that extent the jurisdiction of the court." 29 Cong. Rec. 1901 (1897).

fendants to suit *where they have created liabilities*, it has proved adequate and has not been materially changed either by judicial fiat or by legislation.

Quite in contrast, the statute governing corporate venue generally, for a time after its adoption in 1887-88, was construed by the lower Federal courts to authorize suits against corporations only in the state of incorporation. It was this venue provision narrowly construed which, as the court below stated, gave rise to a general conviction that it was "intolerable" because it kept "a corporation from being sued wherever it was creating liabilities" (R. 9, Res. Br. 7), and which occasioned the liberalizing decisions of this Court, including Neirbo Co. v. Bethlehem Shipbuilding Corp., 308 U.S. 165 (1939), which in effect enlarged general corporate venue pursuant to the "principles of fairness" which characterized the policy as to patent infringement suits embodied in the first special *patent* venue act of 1897.

Considered in light of these facts, respondents' contentions that enlargement of the scope of the special patent law, now Section 1400(b), by judicial fiat is essential to implement "modern venue policy", is without merit.

In the final analysis, respondents are reduced to arguing that the expression "regular and established place of business" employed in Section 1400(b) and in all special patent venue acts since 1897, does not satisfy "modern venue policy", whereas the expression "doing business" in Section 1391(c) does. Respondents urge that the patent venue provision is significantly narrower than the analogous provision of the general venue statute and—

"would prevent suit in districts where corporate defendants were doing business and infringing widely,[10] a result quite out of step with present-day standards of fairness.

[10] With current national distribution techniques it seems reasonable to expect that infringement is more likely to be found in a particular state than is a 'regular and established place of business'." (Res. Br. 10)

In the first place, such considerations are for Congress which has not seen fit to modify the special patent venue act in these respects. Certainly no Congressional modification of the patent venue law can be predicated on respondents' unsupported assertions in note 10. Moreover, in nine patent infringement cases, including the present case, initiated under the 1948 Code, there were no acts of infringement in the district in which suit was brought albeit the defendant was doing business, which created no infringement liability.[4]

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[4] *Ruth* v. *Eagle Picher Co.*, 225 F. 2d 572 (10th Cir. 1955); *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F. 2d 410 (7th Cir. 1952); *Fairhope Fabrics, Inc.* v. *Mohawk Carpet Mills, Inc.*, 140 F. Supp. 313 (D. Mass. 1956); *Clayton* v. *Swift & Company*, 132 F. Supp. 154 (E.D. Va. 1955); *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.*, 92 F. Supp. 16 (S.D. Cal. 1950); *Farr Co.* v. *Gratiot*, 92 F. Supp. 320 (S.D. Cal. 1950); *Rava* v. *Westinghouse Electric Corp.*, 90 F. Supp. 707 (S.D. N.Y. 1950); and *Nachtman* v. *Jones & Laughlin Steel Corp.*, 90 F. Supp. 739 (D. D.C. 1950). Further, in *Dalton* v. *Shakespeare*, 196 F. 2d 469, 470 (5th Cir. 1952), the court stated only that suit was brought "upon allegations that the defendant is doing business" in the district where suit was brought. The logical inference is that there was no allegation of infringement in such district.

In contrast, petitioner has been unable to locate a single case decided under the 1948 Code where the facts discernible from the opinion establish that venue would have been improper under Section 1400(b) because the defendant was doing business *and* had committed acts of infringement within the district where the suit was brought but had no regular and established place of business there.[5]

These facts demonstrate the adequacy of the special patent venue statute as enacted by Congress and negate any realistic substance in respondents' contention.

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[5] In *Denis* v. *Perfect Parts*, 142 F. Supp. 259 (D. Mass. 1956), the court held that the defendant was doing business by virtue of having a sales representative in the district but had no regular and established place of business there. It is not apparent from the opinion, however, whether infringing acts occurred in the district where suit was brought. In any event, it is at least arguable that the court erred in not holding that "a regular and established place of business" existed. The modern tendency of the courts is to refuse to unduly limit the terms "regular and established place of business". *Urquhart* v. *American-LaFrance Foamite Corp.*, 144 F. 2d 542 (D.C. Cir. 1944); *Shelton* v. *Schwartz*, 131 F. 2d 805 (7th Cir. 1942). Significantly, in *Shelton*, strongly relied upon by defendants at page 9 and again at page 28 of their brief, the court found that venue was proper because the defendant had a "regular and established place of business" and had committed acts of infringement within the district. The facts pointedly reflect that under this modern view, it is rare indeed that a corporation will be doing business and infringing by *making, using or selling* the patented invention in a particular district in the absence of a regular and established place of business. Moreover, any possible danger of "unfairness" arising from such a remote eventuality is far outweighed by the much greater "unfairness" to the defendant and inconvenience to the courts which results from the subjection of a corporation to a patent infringement suit in a state far removed from the alleged acts of infringement. (See Pet. Br. 33 *et. seq.*)

II. Pursuant to the Special Venue Statute First Enacted in 1897 and in Effect at the Time of the Recodification of the Judicial Code in 1948, Venue in Patent Infringement Suits Was Limited to (a) "the District of Which the Defendant Is an Inhabitant" or (b) "Any District in Which the Defendant, Whether a Person, Partnership, or Corporation, Shall Have Committed Acts of Infringement and Have a Regular and Established Place of Business".[6]

III. "Throughout the 50 Years From 1897 to 1948", the Special Patent Venue Statute "Was Consistently and Universally Held to Prohibit Suits in Patent Infringement Cases Against Corporate Defendants in a District in Which the Defendant Was Not Incorporated and Had Not Infringed But Was Merely Doing Business". (Pet. Br. 6-10)

We do not understand respondents, at pages 29-30 of their brief, to challenge the accuracy of the foregoing statement.[7] No authoritative case cited by the respondents found venue to be proper in a patent infringement suit brought between 1897 and 1948 in a district where (a) the defendant corporation was not incorporated and (b) *had not infringed* but was merely doing business.

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[6] The foregoing quotations, which are taken from the Act of 1897 and from Section 48 of the Judicial Code, appear also in footnote 13, page 13, of the respondents' brief and on page 8 of the petitioner's brief.

[7] Respondents' injection of the *Neirbo* decision into the case at this point is an obvious red herring designed to divert this Court's attention from the real issue presented by the present case; the principles of waiver expressed in *Neirbo* are not involved in the case before this Court. Moreover, as more fully developed hereinafter, the attempt to find support in the *Neirbo* decision for the proposition that Sections 1391(c) and 1400(b) must be read together is wholly without merit. Infra p. 24 *et seq.*

In *California Stucco Products* v. *National Gypsum Co.*, 33 F. Supp. 61, 63 (D. Mass. 1940) (Res. Br. 30), the court expressly stated:

> "The facts further showed alleged acts of infringement in Massachusetts. I understand that the defendant does not now rely on this ground as it does not argue it in its brief."

In *James P. Marsh* v. *United States Gauge Co.*, 129 F. 2d 161, 162 (7th Cir. 1942) (Res. Br. 30), the court stated:

> "Under the facts as found by the court, there can be no question but that the learned District Judge properly denied the motion to dismiss this suit for want of jurisdiction. The court found that there was a sale by defendant in Chicago; [a sale is an infringing act] that the defendant was licensed to do business in Illinois; and it maintained a 'regular and established place of business' in Chicago . . .
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> * * * * *
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> . . . We do accept [the findings of fact] because they are not only supported by the evidence but clearly established by proof."

Farval v. *Blaw-Knox,* 60 F. Supp. 900 (N.D. Ohio 1945) as so pointedly acknowledged by respondents (Res. Br. 30), was reversed by the Sixth Circuit Court of Appeals in *Blaw-Knox* v. *Lederle,* 151 F. 2d 973, 974 (6th Cir. 1945), which held that venue was improperly laid against the foreign corporate defendant, with the following cogent statement which was one of the last judicial expressions on the point prior to the 1948 Act:

> ". . . Section 48 of the Judicial Code, 28 U.S.C.A. § 109, is held to be the sole provision governing the venue of patent infringement litigation.

> Stonite Products Co. v. Melvin Lloyd Co., 315 U.S. 561, 62 S. Ct. 780, 86 L. Ed. 1026. It provides that in patent infringement suits the district court shall have jurisdiction in the district in which the defendant is an inhabitant, or in any district in which the defendant shall have committed acts of infringement and have a regular and established place of business. The petitioner is not an inhabitant of the Northern District of Ohio, and while it may have an established place of business there, it is neither charged nor found to have committed acts of infringement in Ohio . . ." (See Pet. Br. 9)

As asserted at page 9 of petitioner's opening brief, *the law exclusively controlling venue in patent infringement cases which Congress embodied in the Act of 1948 foreclosed venue in a district where a corporate defendant was not incorporated and had not infringed.*

IV. The Controlling Rules of Statutory Construction Require a Holding That the Special Patent Venue Statute, Section 1400(b), Preserves Without Change the Predecessor Statute in the Absence of Positively Expressed Congressional Intent to the Contrary. Anderson v. Pacific Steamship Co., 225 U.S. 187 (1912); DeSylva v. Ballentine, 351 U.S. 570 (1956). (Pet. Br. Sec. IIA, 10, 11).[8]

The authoritative character of this fundamental rule of statutory construction is, perforce, acknowledged by respondents. The controlling significance of this rule with respect to the present case is sharply delineated by respondents' feeble effort to distinguish it. Respondents, at page 44 of their brief, state:

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[8] The Sixth Circuit Court of Appeals has joined the Seventh and Tenth Circuits in the opinion that Section 1400(b) is not qualified by Section 1391(c). *Sunbeam Corp.* v. *Picard*, 227 F. 2d 596 (6th Cir. 1955).

> "Then it is urged that codifications do not produce any change of law in the absence of 'positively expressed Congressional intent to the contrary'. (Pet. Br. 10). But the 1948 Judicial Code was a revision, not just a codification; . . ."

The short answer is that this Court has expressly stated that this fundamental rule of construction is controlling with respect to *revisions* as well as *codifications* of prior law. In *Anderson, supra,* at p. 199, this Court stated:

> ". . . It will not be inferred that Congress, in *revising* and consolidating the laws, intended to change their effect, unless such intention is clearly expressed. United States v. Ryder, 110 U.S. 729, 740, 28 L. Ed. 308, 312, 4 S. Ct. Rep. 196; United States v. LeBris, 121 U.S. 278, 280, 30 L. Ed. 946, 7 S. Ct. Rep. 894; Logan v. United States, 144 U.S. 263, 302, 36 L. Ed. 429, 442, 12 S. Ct. Rep. 617; United States v. Mason, 218 U.S. 517, 525, 54 L. Ed. 1133, 1136, 31 S. Ct. Rep. 28." (Pet. Br. 10 (Emphasis added)

Judge Phillips in *Eagle-Picher* relied upon and was guided by this salutary rule of statutory interpretation in holding that Section 1400(b) did not effect the fundamental enlargement in patent venue contended for by respondents. 225 F. 2d 572, 575 (10th Cir. 1955).

Quite significantly, failure to follow this controlling rule of statutory construction is an error *common* to the contention of respondents and to decisions of the lower Federal tribunals which support that contention. It is apparent that a heavy burden to find clear Congressional intent to support a change is imposed upon any tribunal ruling that a revised or recodified

act fundamentally changes the prior law. It may generally be stated that each of the decisions supporting the contention of respondents "shifts the burden" and holds that a fundamental change *has necessarily been effected* in the special patent venue law by Section 1400(b) in the *absence of evidence to the contrary.*[9] Implicit in such rulings, of course, is the acknowledgment that no clear evidence can be found to support the proposition that Congress intended to make any change in the prior law, and hence application of the proper standards of interpretation requires a ruling that Section 1400(b) made no change in patent venue.[10]

In tacit acknowledgment that there is no evidence, in the legislative history or elsewhere, of positive Congressional intent to change the special patent venue

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[9] Judge Clark stated, "No reason appears, therefore, why we should strain to discover *unexpressed* exceptions to this beneficial principle [embodied in Section 1391(c)] which could so easily have been expressed, had they been intended". (R. 10) (Quoted at Res. Br. 9) (emphasis added). See also *Dalton* v. *Shakespeare,* 196 F. 2d 469, 472 (5th Cir. 1952), *Denis* v. *Perfect Parts,* 142 F. Supp. 259, 262 (D. Mass. 1956) and *Farr* v. *Gratiot,* 92 F. Supp. 320, 332 (S.D. Cal. 1950).

[10] Moreover such decisions ignore the principle that special venue statutes shall control over general. In *Stonite,* this Court, of course, reversed the lower court which indulged in the same type of fallacious reasoning, *viz.,* "That Congress considered [Sections 52 and 48] to be consistent with each other may fairly be inferred from the fact that they were incorporated into the Judicial Code . . . *without any suggestion that Section 52 which in terms applies to 'every suit' does not apply to a patent suit or that the venue for patent suits provided by Section 48 is to be deemed exclusive of the venue prescribed by Section 52* . . . ." 119 F. 2d 883, 886 (3d Cir. 1941). (Emphasis added)

law by the 1948 Act, respondents grasp for the only remaining straw at pages 44-45 of their brief and suggest that a "positively expressed Congressional intent" may be found in the "simple language of the statute".

In the first place, when the "simple language of the statute" is considered, the most significant fact is that *Section 1400(b) employs substantially the same language as the predecessor special patent venue statute.* Moreover, the reviser's notes, as demonstrated in petitioner's opening brief, permit no construction of Section 1400(b) which effects a material change in the prior law. Insofar as the substitution of the word "resides" in Section 1400(b) for the word "inhabitant" in the prior act is concerned, the reviser's notes clearly state that the words "inhabitant" and "resident" as respects venue are synonymous for the reason that both words, as respects venue, have repeatedly and consistently been held to mean domicile, and in regard to corporations, the state of incorporation only. See Section II B, 1(a), pages 16-20 of petitioner's opening brief for a thorough discussion of this point. *Hence, the application of Section 1400(b), which controls patent venue, considered alone, presents no problem.*

It is only when an effort is made, as did the court below, to "insert into" the special patent venue statute the provisions of the general corporate venue law that difficulty arises. It may be that the meaning of Section 1391(c) as a general venue provision is clear.[11]

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[11] Although respondents, in footnote 73, page 42 of their brief, purport to find even Section 1391(c) ambiguous on its face. If the proposition which respondents assert to be "arguable" is accepted, it is inconsistent with the characterization of Section 1391(c) as an "unlimited *defining* statute".

But respondents' contention that Section 1391(c) plainly qualifies Section 1400(b) begs the question before this Court.

A shibboleth to which resort is made in support of this contention, both by respondents and by the lower tribunals supporting their view, is the self-serving assumption that Section 1391 of Title 28 is merely a "definition" section. Reasoning from this specious assumption, it is urged that the statute requires the "definition" set forth in Section 1391(c) to be "read into" the special patent venue sections including Section 1400(b). For example, the court below first referred to the "applicable statutory definition of venue" (R. 6) and then held:

> "As was held with respect to earlier legislation [Section 1400(b)] should control here. *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U. S. 561. Even so, that requires but the insertion in it of the *definition* of corporate residence from [Section 1391(c)]." (R. 6) (Emphasis added)

Respondents' argument is bottomed upon the same contention (e.g., Res. Br. 2, 3, 5, 6, 21), following specifically Judge Aldrich in *Denis* v. *Perfect Parts*, 142 F. Supp. 259 (D. Mass. 1956), who stated:

> "*Nor* is section 1391(c) a general act. It is not even a whole act. In terms, it is but *definitions* for the remaining sections of the chapter." (Res. Br. 21) (Emphasis added)

Such arguments flaunt the express language of the act. Section 1391, as is apparent from its very title, *viz.*, "Venue Generally", is a *general venue section* which is not applicable to special venue provisions—

as this Court affirmatively held in *Polizzi* v. *Cowles Magazines*, 345 U. S. 663, 665 (1953) (Res. Br. 8) as follows:

> "Section 1391 is a general venue statute. In a case where it applies, if its requirements are not satisfied, the District Court is not deprived of jurisdiction, although dismissal of the case might be justified if a timely objection to the venue were interposed. 28 U.S.C. (Supp. V) § 1406, 28 U.S.C.A. § 1406. But *even on the question of venue, § 1391 has no application* to this case because this is a removed action. The venue of removed actions is governed by 28 U.S.C. (Supp. V) § 1441(a) . . ." (Emphasis added)

Section 1391(c) does *not define* corporate residence for the purposes of all special venue statutes but merely qualifies its own meaning by stating that certain districts shall be regarded as the residence of a corporation for venue purposes.[12]

The widespread conflict in the lower Federal tribunals which this Court granted certiorari to resolve makes it self-evident that these issues are not so clearly resolved by the "simple language of the statute" that reference to the legislative history is foreclosed.

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[12] Moreover, even if Section 1391(c) is a general definition section, its applicability to Section 1400(b) is foreclosed by the rule of *Lawson* v. *Suwanee Fruit & Steamship Co.*, 336 U.S. 198 (1949) that a statutory definition may not be mechanically read into a specific provision of the same statute when obvious incongruities in the language of the specific provision are created and a major purpose thereof is destroyed. (Pet. Br. 31, *et. seq.*)

V. The Authoritative Legislative History Not Only Negates Congressional Intent to Modify the Predecessor Special Patent Venue Provisions But Reflects Clear Congressional Intent to Preserve Unchanged in Section 1400(b) the Prior Law.

As fully developed in petitioner's opening brief (Sec. II B, pp. 11-28), the legislative history including particularly the authoritative reviser's notes, reflects a clear and positive intent to preserve unchanged in Section 1400(b) the prior special patent venue law.

In an endeavor to find in the legislative history support for the contention that the 1948 Act fundamentally changed the half-century old special patent venue law, respondents do *not* rely primarily upon what is said in the *reviser's notes* which this Court has characterized as "authoritative in perceiving the meaning of the act";[13] and which form a part of the pertinent Congressional Committee Reports. Rather, respondents seek to find support for their position largely in isolated general statements made at hearings and in Congressional debate which are not persuasive and which serve only to confuse the precise issue at bar.

In the portion of the concurring opinion in *Schwegmann*, 341 U. S. 384, 395 (1951), *quoted by respondents* (Res. Br. 22, note 28), it is stated that reference to the legislative history should not be made "beyond Committee reports, which presumably are well considered and carefully prepared". Moreover, in the next paragraph, Mr. Justice Jackson continued: (p. 396)

> "[T]o select casual statements from floor debates, not always distinguished for candor or accuracy,

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[13] *United States* v. *National City Lines*, 337 U.S. 78, 81, 69 S. Ct 995 (1949).

> as a basis for making up our mind what law Congress intended to enact is to substitute ourselves for the Congress in one of its most important functions."

Despite this firm admonition, respondents refer only to a single Committee Report, *i.e.*, House Report No. 308, 80th Cong., 1st Sess., quotations from which appear on pages 26 and 29 of their brief. The quotation on page 26 emphasizes the fact that extensive suggestions were sought and received from the judiciary, the bar and educators. It is highly significant that there is no record of any suggestions received or consideration given by Congress to a change in patent venue. The quotation on page 29, in the final sentences, points out that:

> ". . . *minor changes* were made in the provisions regulating the *venue* of district courts in order to clarify ambiguities or to reconcile conflict. *These are reflected in the revisers' notes under Sections 1391-1406.*" (Emphasis added)

Apart from the reference to the single Committee Report, H.R. 308, all of the "legislative history" cited on pages 28 to 32 of respondents' brief falls within the category of unreliable materials rejected in the concurring opinion in *Schwegmann, supra.* (Res. Br. 22.)

Finally, when respondents do turn to the authoritative reviser's notes (Res. Br. 32), reliance is placed initially not upon what these notes state but rather upon what the notes do *not* state.[14] Respondents seek

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[14] Respondents' reliance on the cross reference in the Section 1400(b) reviser's note to the note on Sections 1391(a) and (b) (not 1391(c) as stated at Res. Br. 32) is fully answered in petitioner's main brief (Pet. Br. 17-20).

to support their case on the negative proposition that since the reviser's notes incident to Section 1391(c) do not refer to the enlargement in general corporate venue law which included that section, it is *not* unexpected that the notes did *not* refer to a Congressional intent to work a fundamental change in the special patent venue statute.

The first thirty-three pages of respondents' brief urge that the enlargement of general corporate venue effected by Section 1391(c) is one of the "important changes worked by the Judicial Code of 1948" and quotes Judge Clark of the court below characterizing this change as a "sharp break with ancient formulae". On page 32 of their brief, respondents quote Judge Huxman, dissenting in *Ruth* v. *Eagle-Picher Co.*, 225 F. 2d 572, 578-579 (10th Cir. 1955) to the same effect.

In *direct* contrast, respondents, in support of the proposition that "The change in corporate patent venue was not a 'controversial substantive' change", at page 34 of their brief blandly assert that the Congress in the 1948 Act, with respect to *both* the general corporate venue law and special patent law, was merely *"liberalizing both slightly"*.

The fundamental fallacy of respondents' position is sharply illuminated by the statement appearing on page 33-34 of their briefs as follows:

> "In perspective, a broadened patent venue can hardly be said to be more controversial than a *correspondingly* broadened general venue section of vastly wider applicability."[15]

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[15] A like statement appears on page 4 of respondents' brief. On page 45, however, respondents refer to the "clearly greater" change in Section 1391(c).

The *truth* is that the change effected in the general corporate venue law by Section 1391(c) and the change which respondents insist was effected in the special patent venue law by Section 1400(b) *do not "correspond"*. As the opening portions of respondents' brief so effectively show, the modern "realistic and fair" approach to the question of general corporate venue had been largely defined by this Court in *Neirbo, International Shoe* v. *Washington,* 326 U. S. 310 (1945), and other cases at the time the 1948 Act was passed. As respondents appear to acknowledge, as respects *general corporate venue,* substitution of "the modern 'doing business' test" for the waiver doctrine of *Neirbo* was in line with Judicial expression and Congressional policy repeatedly expressed prior to and during the 1948 recodification.

As Judge Biggs so aptly said in *Carlisle* v. *Kelly,* 175 F. 2d 414, 416 (3d Cir. 1949):

> ". . . the views of the Supreme Court expressed in its decisions were crystalized in Section 1391(c) of Title 28. . . . The language of the subsection is new but its essence is of the Schollenberger, Neirbo and Gulf Oil rulings."

Accordingly, the revisers properly considered that incorporation of the "doing business test" into Section 1391(c) did *not* effect any substantial or controversial change in general corporate venue. It appears that the revisers were accurate in their evaluation of this change as to corporate venue generally since no material controversy has resulted in the nine years since the 1948 Act was adopted.

Quite in contrast, however, is the situation which attended the special patent venue law at the time of the 1948 recodification. For fifty years, the courts

had repeatedly held that venue in patent infringement cases was not proper in a district where a corporate defendant was not incorporated and had not infringed. The change in the law which respondents seek to have this Court impute to Section 1400(b) is a fundamental enlargement of the special patent venue law as it had existed without deviation since the enactment of the first special patent venue statute in 1897. Such a change would indeed be controversial—the very contention that such a change was made in Section 1400(b) has given rise to one of the most widespread controversies on a venue question in recent years.

Respondents can find no comfort in the mere fact that the reviser's notes properly do *not* refer to the non-controversial "slight liberalization" implicit in Section 1391(c).

VI. The Collateral Arguments of Respondents are Without Merit.

Respondents, at page 19 of their brief, advance the argument that, if patent venue, defined in Section 1400(b), cannot be enlarged by insertion therein of the general venue provisions of Section 1391(c), patent cases cannot be subjected to provisions providing for transfer and joinder of unfair competition as contemplated by Sections 1338(b),[16] 1404 and 1406 —a *non sequitur* as so aptly demonstrated in the opinion of the Seventh Circuit Court of Appeals in *C-O-Two Fire Equipment Co.* v. *Barnes,* 194 F. 2d 410, 414 (1952), quoted in petitioner's main brief (pp. 27, 28).

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[16] As the reviser's note on Section 1338(b) makes clear, this section merely codifies the pre-existing rule in the Federal courts. Code Cong. Serv. Pamph. 1838.

At page 21 of their brief, respondents urge that since Section 1391(c) is applicable to declaratory judgment actions for invalidity and non-infringement, "no reason appears why a different rule should be applicable to a straightforward patent infringement suit" (Res. Br. 21). The short answer is that such a declaratory judgment action is not a "civil action for patent infringement" as contemplated by Section 1400(b). Moreover, such actions were held to be outside of the scope of the special patent venue statute prior to the enactment of the 1948 Code. *E. I. duPont de Nemours Co.* v. *Byrnes,* 101 F. 2d 14 (2d Cir. 1939); *Crosley Corp.* v. *Westinghouse,* 130 F. 2d 474 (3d Cir. 1942).

Equally misplaced is the reliance by respondents upon opinions expressed by Prof. Moore in his writings *subsequent* to the enactment of the 1948 Act (Res. Br. 21, note 25; 23, note 29; 36, note 61; 42, note 73). As forcefully pointed out by Judge Harrison in *Gulf Research & Development Co.* v. *Schlumberger Well Surveying Corp.,* 92 F. Supp. 16, 18 (S.D. Cal. 1950), Prof. Moore's more compelling assertions to Congress *prior* to the enactment of the Act were quite different. Judge Harrison, after referring to the writings of Prof. Moore, stated:

> "[Prof. Moore] as a paid consultant in testifying before Subcommittee No. 1 stated that: *'Venue provisions have not been altered by the revision.'* He then proceeds to point out certain changes applying to patent infringement cases. U. S. Code, Congressional Service (1948), p. 1969, Title 28 Pamphlet.
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> "To say the least the two statements are inconsistent. Prof. Moore in a letter explaining the inconsistencies states in part, 'In brief, my House

statement was prepared on short notice and under pressure; my published writings are prepared after careful and extensive deliberation.'

"But the real question is: Did *Congress* intend to change the venue provisions in patent infringement cases where the defendant is a corporation? Professor Moore's statement before the Committee tended to establish that the revised section caused no change in existing law. The Committee relied and acted upon his testimony along with the testimony given by others. The hearings before the Committee clearly indicate that no change in venue statutes was contemplated by Congress except such changes as were expressly set forth in the Reviser's Notes." (Emphasis added)

Respondents also argue that one purpose of the 1948 Judicial Code was to resolve conflicts, and that Congress resolved a supposed conflict as to the applicability of the *Neirbo* waiver doctrine to patent infringement suits by rendering the special patent venue section 1400(b) subject to the general venue provisions of Section 1391(c) (Res. Br. 30). Since there was no expression of intent by Congress in adopting the 1948 Act to subject Section 1400(b) to either the *Neirbo* waiver doctrine or the provisions of the general corporate venue statute, Section 1391(c), respondents' argument is inapposite.

Moreover, as Judge Phillips so cogently stated in *Ruth* v. *Eagle-Picher*, 225 F. 2d 572, 577 (10th Cir. 1955):

"The principle of waiver announced in Neirbo Co. v. Bethlehem Shipbuilding Corp., supra, prior to the 1948 revision, was repeatedly held to be inapplicable to patent infringement cases. See Blaw-Knox Co. v. Lederle, 6 Cir., 151 F. 2d 973; Bulldog Electric Products Co. v. Cole Electric

Products Co., 2 Cir., 134 F. 2d 545 and Carbide & Carbon Chemicals Corp. v. United States Industrial Chemicals, Inc., 4 Cir., 140 F. 2d 47, wherein it was held that 28 U.S.C.A. § 109 was the sole provision governing the venue of patent infringement litigation."

In contrast with the precedents by which Judge Phillips was guided, respondents at page 30 of their brief advance *Farval* which was reversed by *Blaw-Knox, Marsh* which at best contains only dicta that is relevant, and *California Stucco Products*—the latter a District Court decision rendered in 1940, very shortly after *Neirbo* which was decided in 1939, and before the later and more authoritative rulings, such as *Blaw-Knox,* were rendered.[17]

It seems eminently sound to conclude that Congress, in resolving without comment any possible conflict with respect to the application of the *Neirbo* waiver doctrine to patent cases, adopted the view expressed by the weight of authority reflected in Judge Phillips' opinion in *Eagle-Picher.*

Moreover, as appears from a study of the decision, *Neirbo* decided merely that a corporation, by appointment of an agent for service of process pursuant to

[17] Significantly, the acts of infringement were committed within the district where suit was brought in *California Stucco,* and *Neirbo* was applied to find waiver only with respect to the requirement of the patent venue statute that a regular and established place of business be maintained. In respect to this point, the *California Stucco* case judged by modern standards, entrenched by 1948, would have resulted in a finding that a regular and established place of business existed. *Urquhart* v. *American-LaFrance Foamite Corp.,* 144 F. 2d 542 (D.C. Cir. 1944); *Shelton* v. *Schwartz,* 131 F. 2d 805 (7th Cir. 1942). Hence, a resort to *Neirbo* would be unnecessary.

state law as a prerequisite to the right of doing business in the state, effectively waived the benefits of Federal corporate venue provisions as to issues concerning which the Federal and state courts enjoy concurrent jurisdiction. The scope of the *Neirbo* waiver doctrine was clearly delineated at 308 U.S. 165, 171 (1939) as follows:

> "As to diversity cases, Congress has given the federal courts 'cognizance, *concurrent with the courts of the several states*'. Jud. Code § 24, 28 U.S.C.A. § 41. The consent, therefore, extends to any court sitting in the state *which applies the laws of the state.*" (Emphasis added)

Since patent infringement cases are not only exclusively within the Federal jurisdiction, but also are controlled as to venue by a Federal special venue statute, the soundness of the authorities cited in *Eagle-Picher* is apparent. It was clearly not the intent of Congress, either in the pre-1948 special patent venue law or in Section 1400(b) to subject Federal venue in patent infringement cases—subject matter over which the states have not the slightest degree of control—to the whims of state law.

VII. Conclusion

The decision of the court below should be reversed.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY,

Petitioner,

v.

TRANSMIRRA PRODUCTS CORP. and
ROBERT ARONSTEIN,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION

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BRIEF FOR RESPONDENTS IN OPPOSITION

Question Presented

Although petitioner's statement (Pet. p. 2) of the question presented avers that the corporate defendant (petitioner) has not infringed in the judicial district of this patent suit, it is to be noted that the Circuit Court of Appeals in the opening paragraph of the opinion of its learned Chief Justice expressly refrained from considering that phase of the lower court's rulings, such express reservation in itself constituting reason for the denial of certiorari herein.

Statement

Petitioner's "Statement" (Pet. pp. 2-5), is likewise inaccurate insofar as it states the lower court entered judgment of dismissal "after a full hearing on the merits" (Pet. pp. 3-4)—the proceedings below clearly indicate that respondents appeal to the Circuit Court of Appeals was in large part predicated on the failure of the lower court to accord respondents a hearing as prayed for, prior to its summary dismissal of the complaint; and, further, insofar as it states as a fact (Pet. p. 4) that respondents' motion for a remand "was found to be without merit" and was for that reason denied.

An examination of the record fails to reveal any holding that the motion to remand was "found to be without merit". Furthermore, the fact that the Court of Appeals specifically stated in its decision that it would not consider the ruling of the District Court with respect to the absence of local acts of infringement, confirms the viewpoint that no question of acts of infringement was decided on the merits by that court at any time.

In this connection, it is observed that petitioner has caused to be printed and submitted to this Court matter (R. pp. 23a-63a) which was not a part of the record on appeal to the Circuit Court of Appeals, and which therefore forms no proper part of the record herein.

POINT I

Review is not warranted because the question presented is not decisive of the issue of venue.

In the opening paragraph of the opinion of the learned Chief Justice, the Circuit Court of Appeals expressly pointed out (Pet. Appendix B, p. 3a) that, in view of other

aspects of its decision, it had not considered the lower court's ruling respecting the alleged absence of local acts of infringement. These questions of fact as well as of mixed law and fact, involving local acts of infringement, which could in any event sustain a finding of proper venue as laid, were thus expressly reserved and are still open. Under Title 28 U. S. Code § 1400(b), venue could properly be laid herein either in a district where the corporate defendant resides, or where it has a regular and established place of business and committed acts of infringement. Since these are alternative venue criteria, either alone would suffice. At bar, therefore, even if this Court should be disposed to consider the narrow legal question now desired to be tendered by petitioner, in a manner favorable to petitioner, the issue of venue would not thereby be resolved but would still remain open to await determination by the Court below of the questions of fact as well as of mixed law and fact which it specifically did not consider with respect to local acts of infringement. Under these circumstances, and in this posture of the case, review would be unjustified and certiorari should not be granted, prior to final judgment, merely to weigh what might at best be an academic question, hypothetically interesting but in no sense dispositive of the case itself nor even of the issue of venue.

In dealing with certified questions (and thus, *a fortiori*, applications for writs of certiorari) this Court stated in *Busby et al.* v. *Electric Utilities Employees Union, etc.*, 323 U. S. 72, 75:

> "We do not answer the question as to the effect of the second part of Rule 17(b), since the answer will be decisive of the case only in the event that a question of local law, not answered by the Court of Appeals and inappropriate for us to consider in the first instance, receives one rather than another answer. • • •"

Similarly at bar, the answer sought by petitioner could be decisive of the issue of venue only in the event that the Court of Appeals might possibly at some subsequent date determine factual and mixed factual and legal questions of local acts of infringement adversely to the respondents. Since those questions have expressly been left open by the Court of Appeals, even were petitioner to succeed in obtaining the decision for which it now presses, such determination could be rendered wholly academic by a subsequent decision of the Court below. Under these circumstances, review at this time as now demanded by the petitioner would not be warranted, and certiorari should therefore be denied.

POINT II

Review is not warranted upon the preliminary procedural point now tendered by petitioner.

This Court has repeatedly called attention to the purpose and extremely limited availability of the writ of certiorari as a method of review, to be employed only when there are special and important reasons therefor, and the reservation of its employment in cases prior to final judgment to those extraordinary cases justifying deviation from normal appellate processes.

> *Hamilton-Brown Shoe Co.* v. *Wolf Brothers & Co.*, 240 U. S. 251, 258;
> *American Construction Co.* v. *Jacksonville T. & K. W. Railway Co.*, 148 U. S. 372;
> *The Three Friends*, 166 U. S. 1;
> *The Conqueror*, 166 U. S. 110, 113;
> *Denner* v. *New York Trust Co.*, 229 U. S. 123, 133.

This is no such case. The case is neither extraordinary nor of imperative public importance, nor are there special or important reasons for review at this time, nor reasons

for deviating from normal appellate processes which are, of course, fully available to petitioner herein.

Although the existence of conflict among the circuits may in certain cases justify certiorari, by no means does it follow that certiorari will be automatically granted in all cases where conflict exists or where such conflict involves preliminary procedural, as distinguished from important substantive, questions of law. Even where conflict exists among the circuits, in the field of preliminary procedural questions, certiorari would be unwarranted because of such factors as the preliminary nature of the questions, the inconclusive character of the issues tendered for decision, and the lack of substantive importance of the matters involved—in this case, for example, at best, merely the insubstantial question of the particular federal circuit from which the case might ultimately reach this Court for review. If applications for writs of certiorari were to be entertained on this sort of preliminary procedural point, the outcome of which would in any event be inconclusive even as to the narrow issue of venue, then the floodgates to applications for writs of certiorari to this Court would be opened wide indeed.

Petitioner, while recognizing that the judgment below is not final, argues that the legal point it is attempting to tender to this Court for decision at this time is "*appropriate*" for review since it is claimed to be "fundamental to the further conduct of the case," (Pet. p. 9, "4"). Although certiorari will not be granted under the rules and practice of this Court merely because a question is asserted by a petitioner to be "appropriate" for review, a further reason to deny certiorari herein is that the decision below is not "fundamental to the further conduct of the case."

In support of its argument that although the judgment below is not final the issue attempted to be tendered is

"appropriate" for review "since the venue issue is fundamental to the further conduct of this case," petitioner cites three cases (Pet. p. 9, "4"). The case at bar is not comparable to those cases, which involved basic issues at the fundamental roots of the rights of the parties and directly affecting the ultimate merits. The first two cases cited (Pet. p. 9, "4") involved issues of sovereign immunity and whether the suits were actually against the United States, while the third case dealt with the proper elements in computing just compensation in condemnation proceedings involving the meaning and scope of a constitutional provision. There is nothing in those cases to support petitioner's characterization of the narrow venue question it wishes to tender for decision now, as one which is "fundamental to the further conduct of the case." The issue of venue, even in its limited scope as sought to be tendered herein by petitioner at this time, would in no sense decide the merits of this case nor affect the rights of the parties, nor indeed—as shown above—decide even the question of venue.

Since, therefore, there is here presented neither an extraordinary case nor a question fundamental to the further conduct of this case and there is no final judgment herein, review by this Court at this time is not warranted and the petition for certiorari should be denied.

POINT III

The decision below is so clearly justified that review by this Court is not warranted.

As stated in the opinion of the learned Chief Justice (R. 66a), the Second Circuit Court of Appeals expressly followed the decision of this Court in *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U. S. 561, in holding that 28 U. S. C. § 1400(b) controlled venue herein. Likewise, upon the authority of the decision of this Court in *Ex parte*

Colleti, 337 U. S. 55, 61-71, the Court below held that there was a change in substance in the use of "resides" and that the definition contained in 28 U. S. C. § 1391(c) should now be applied to the word "resides" in 28 U. S. C. § 1400(b) so as to make corporations suable where they do business.

In its clearly justified conclusions, the unanimous Second Circuit Court of Appeals, as indicated in the brilliant opinion of its learned Chief Justice, by no means found itself alone. (See, for example, the unanimous decisions in *Dalton* v. *Shakespeare Co.*, 5 Cir., 196 F. 2d 469, and *Guiberson Corp.* v. *Garrett Oil Tools*, 5 Cir., 205 F. 2d 660, *certiorari denied* 346 U. S. 886, *rehearing denied* 346 U. S. 917.)

The plainly evident availability of a statutory definition, unrestricted in scope by its terms (while, it is to be noted, earlier subdivisions of the statute—namely subdivisions (a) and (b) of § 1391—specifically provide for exceptions), which through consistent language so readily lends itself to application to a section of law akin in subject-matter, should not be restricted in that application by straining to read into it an unexpressed prohibition which is not warranted by any orderly rule of construction and which would, in the practical light of ever-widening corporate activities remote from and unconcerned with the state of technical incorporation, disarm the patent holder in his efforts to protect the grant of rights he has received under the Constitution.

A corporation may not be realistically located in the state of its technical incorporation (a choice frequently dictated by certain advantageous financial, tax or legal considerations, rather than by the nature and extent of its corporate activities and liability-creation potential), but a corporation will, perforce, be found where it is doing business.

CONCLUSION

Certiorari is sought to review a mere preliminary procedural point, the decision of which would neither be fundamental to the further conduct of the case, nor in any way affect the merits of the case nor ultimate judgment therein, nor even determine the preliminary question of venue. Insufficient reason is shown for invoking certiorari under these circumstances, in deviation from normal appellate procedures fully available to petitioner. Moreover, the decision complained of is clearly justified legally. Under all of the circumstances, in the present posture of the case, upon the narrow and academic point tendered by petitioner, review by certiorari at this time by the highest Court of the land would be unwarranted. The petition for certiorari should be denied.

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OCTOBER TERM, 1956

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FOURCO GLASS COMPANY,
PETITIONER,

v.

TRANSMIRRA PRODUCTS CORP. AND
ROBERT ARONSTEIN,
RESPONDENTS.

ON WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR THE RESPONDENTS

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Supreme Court of the United States

OCTOBER TERM, 1956

No. 310

FOURCO GLASS COMPANY,

PETITIONER,

v.

TRANSMIRRA PRODUCTS CORP. AND ROBERT ARONSTEIN,

RESPONDENTS.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

BRIEF FOR THE RESPONDENTS

Question Presented

Should not "resides" in §1400(b) of the revised Judicial Code of 1948 be read with the general definition of corporate "residence . . . for venue purposes" in §1391(c), so as to authorize this patent infringement suit brought in a judicial district where defendant corporation was "doing business"?

Summary

Section 1400(b) of the 1948 Judicial Code makes venue in patent infringement suits proper where a defendant "resides" (and also, as a second alternative, "where the defendant has committed acts of infringement and has a regular and established place of business.") The first section of the same chapter defines "the residence of [a] corporation for venue purposes" as any judicial district in which it "is incorporated or licensed to do business or is doing business." §1391(c), under heading "Venue generally". Thus §1400(b), read with the definition of "resides" given in the introductory section, as a matter of plain language authorizes this suit.

This plain language effects for patent venue the same modernization clearly effected in general venue by §1391: it permits suits against corporations on the realistic and fair "doing business" basis. Every reason favoring general venue on this basis favors patent venue so, as was recognized at the time the Code was enacted. And unless §1400(b) is read with the definition in §1391(c), a defendant corporation is immune from suit where it is not only doing business, but is infringing widely as well, a result quite out of step with present-day standards of fairness. For patent suits as for suits generally, policy favored resolving the conflicts under *Neirbo* by substituting the modern "doing business" test for the unrealistic "waiver" approach.

That policy favored liberalizing patent venue commensurately with general venue finds strong support in history. One main purpose expressed by Congress in enacting the Act of 1897 (the first special patent venue statute) was to broaden patent venue to facilitate suits against infringing corporations. That Act clearly did broaden patent venue relative to the then-applicable general venue statute; and

Congress preserved patent venue broader than general (to the extent of the "second alternative," *supra*, p. 2) from that date until at least 1948. Widespread misunderstanding of this history seems mainly responsible for the decisions not giving effect to the plain language of §§1400(b) and 1391(c).

The natural reading of those sections is strongly supported by other provisions of the code of which they are part. The curing of any venue abuse is facilitated by new §1404(a), which has only recently been held to make the new remedy of transfer available on a lesser showing than was required for dismissal for forum non conveniens. *Norwood* v. *Kirkpatrick*, 349 U.S. 29 (1955). (That this section is applicable in patent infringement suits seems clear from two decisions very closely analogous on the question at bar: *Ex parte Collett*, 337 U.S. 55 [1949]; *United States* v. *Nat. City Lines*, 337 U.S. 78 [1949]). Declaratory judgment suits (under Ch. 251 of the code) against a patent owner involve the same issues as suits for patent infringement; yet §1391(c) is applicable. Unfair competition and patent infringement issues may be closely related, as is emphasized by new dependent jurisdiction §1338(b), but in the ordinary unfair competition suit §1391(c) is applicable. Section 1400(b) should be read as what it is:—one of several special sections following, and using a word defined in, a general definition section.

Although recourse to legislative history is unwarranted, further support is there found for giving the sections their apparent meaning. Three strong legislative purposes were to improve and modernize, including specifically venue (and much material including law review articles and widely solicited suggestions were collected pursuant to this purpose); to resolve conflicts; and to make the code clear in meaning (to even "the average intelligent citizen", it was said hopefully). But the modern approach to defendant

corporate venue is the "doing business" one; and substantial conflict as to the impact of *Neirbo* existed with respect to patent venue as well as general. Effect is given the first two purposes by the language of the statute, which resolves the *Neirbo* conflict by making applicable the modern "doing business" test. And obviously the purpose that the code be clearly understandable is frustrated unless it is given its plain meaning.

The reviser's notes by a cross-reference suggest that §1400(b) and 1391(c) should be read together, though reference to these notes seems unwarranted, they being much more ambiguous here than the statute itself. Although there are in the legislative history expressions of a purpose to point out, in the reviser's notes, changes in the statute, the purpose seems to have been more to point out changes in text than in legal consequence. The liberalization clearly effected in general venue by §1391(c) is not pointed out as such in the reviser's notes. It seems not surprising thus that a corresponding change in the patent venue section, which is of much narrower applicability, was not explained in the reviser's notes as such. Of course the reviser's notes under both sections do point out the changes in text, and are actually cross-referenced with respect to "resides" and "residence".

The broadening of patent venue found by the court below was not such a "controversial substantive change" as the revisers expressed a purpose to avoid (e.g., elimination of diversity jurisdiction or revising the laws of peonage and international crimes).

The plain language of the statute is further supported by the better reasoned decisions of the lower federal courts (including the only two unanimous Court of Appeals decisions), by the legal writers generally, and by the decisions under other special venue sections, both in and out of Title 28.

Stonite Co. v. *Melvin Lloyd Co.*, 315 U.S. 561 (1942) is not authority that the plain language of the patent venue section should be ignored. That case decided only that a section expressed as an exception to a general venue section then clearly inapplicable to patent venue was not itself applicable to the patent venue section, which in no way referred to it. Also, *Stonite* has unfortunately been misinterpreted as authority for a mistaken view that Congressional intent had in the 1897 Act favored a relatively restrictive patent venue.

Reading §1400(b) with §1391(c) does not "emasculate" the second alternative of the former:—that provision applies to individuals and partnerships, and is necessary to preserve for them the relatively broader patent venue which has existed since 1897. Similarly, the special patent process §1694 remains meaningful for individuals and partnerships. That section, which originated together with §1400(b) in the 1897 Act, is clearly supplemented by the service of process provisions of Federal Rule 4, which is not even referred to; this seems still further support for reading the special patent venue section with a literally applicable definition section, under all the foregoing circumstances.

The Clear Language of the Statute Supports The Judgment Below

The 1948 Judicial Code[1] in §1400(b)[2] authorizes suit for patent infringement where a "defendant resides". The

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[1] Title 28, United States Code, Act June 25, 1948, c. 646, 62 Stat. 869.

[2] "§ 1400. Patents and copyrights

"(b) Any civil action for patent infringement may be brought in the judicial district *where the defendant resides*, or where the defendant has committed acts of infringement and has a regular and established place of business."

(Emphasis ours throughout this brief unless otherwise noted.)

first section under the same chapter (which deals with "[v]enue generally"), includes § 1391(c),[3] defining the "residence of [a] corporation for venue purposes" as, *inter alia*, "any judicial district in which it is . . . doing business".

It could hardly be clearer that as a question of plain language, the statute authorizes this suit.

The court below thus properly concluded (R. 6-7) that "the plain meaning of the two statutes, when read together, would be that this defendant may be sued in New York, where it 'is doing business.'"[4] As Chief Judge Hutcheson said for the court in *Dalton* v. *Shakespeare Co.*, 196 F.2d 469, 472 (5 Cir. 1952), a leading decision in accord with that of the Court below:

> "Indeed it seems to us that the difficulties arise not out of the words the statute used but out of the strained effort to make them read otherwise than as they do."

The Clear Language of the Statute Implements A Sound Modern Venue Policy

General Venue Was Clearly Broadened

Section 1391(c) provided substantially broadened venue against defendant corporations in actions generally,[5] re-

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[3] "Chapter 87—District Courts; Venue

* * *

"§ 1391. Venue generally

* * *

"(c) *A corporation may be sued in any judicial district in which it is* incorporated or licensed to do business or is *doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.*"

[4] Petitioner (defendant) does not deny "doing business" in New York (Pet. Br. 3).

[5] Note, "The Proposed Revision of the Federal Judicial Code", 60 Harv. L. Rev. 424, 434 (1947); *Barber-Greene Co.* v. *Blaw-Knox Co.*, 112 U.S.P.Q. 73, 74-75 (6 Cir. 1957). See also cases cited *infra* pp. 32, 33. Petitioner's statement that § 1391(c) was "commensurate with the law as it existed" under *Neirbo* (Pet. Br. 18) is not accurate.

solving at the same time conflicts under *Neirbo* v. *Bethlehem Corp.*, 308 U. S. 165 (1939)[6]. As Judge Phillips conceded in *Ruth* v. *Eagle-Picher Company*, 225 F.2d 572, 577 (10 Cir. 1955) (2-1):

> "The phrase in subsection (c), 'or is doing business,' extends the philosophy of [*Neirbo*] to the act of doing business."

As to this change in venue law, which Judge Clark below properly referred to as one of the "important changes" (R. 9) worked by the Judicial Code of 1948, he said:

> "The rationale of this sharp break with ancient formulae is quite obviously a response to a general conviction that it was 'intolerable if the traditional concepts of "residence" and "presence" kept a corporation from being sued wherever it was creating liabilities.' See the Note cited *supra*, 56 Col. L. Rev. 394, at 395 (1956). As this authority points out, the particular attack on the problem here is in terms of venue, with which is allied the issue of personal jurisdiction over corporations. But, as we know, the ramifications are yet more general; for there have long been debated proposals to substitute for the famous fiction making a corporation a citizen or inhabitant of the perhaps remote state of its incorporation the more realistic test for substantive jurisdiction itself of the place or places of corporate activity or doing business.

[6] *Neirbo* had decided only that in a diversity case, a defendant had waived its venue privilege by a prior general designation of an agent for service of process. "Uncertainties as to the scope of the decision abounded." Hart & Wechsler, "The Federal Courts and the Federal System" (1953), p. 958, in which some of these uncertainties are noted. See also Comment, "The Aftermath of the Neirbo Case", 42 Ill. L. Rev. 780 (1948).

See Frankfurter, J., in *Lumbermen's Mutual Casualty Co.* v. *Elbert*, 348 U.S. 48, 56, discussing, *inter alia*, the proposals of that distinguished lawyer and statesman, the late Attorney General Mitchell; and see in detail, McGovney, *A Supreme Court Fiction*, 56 Harv. L. Rev. 853, 1090, 1225, 1231-1238, 1251, 1252 (1943). So extensive has been the dispute, so voluminous the literature, that even partial steps to correct what has been so thoroughly and exhaustively condemned as unjust would seem deserving of support."

Section 1391(c) thus, in a sense, adopted for federal courts the philosophy of *Internat. Shoe Co.* v. *Washington*, 326 U.S. 310, 320 (1945), that suit against a foreign corporation is proper where "reasonable and just, according to our traditional conception of fair play and substantial justice. . . ."[7] The modern approach, under §1391(c) and other sections of the 1948 Code, and the policy underlying that approach, was stated in *Polizzi* v. *Cowles Magazines*, 345 U.S. 663, 669-670 (1953):[8]

"A large part of the business in each and every state is done today by corporations created under the laws

[7] This "fairness" approach has since been applied flexibly in several decisions permitting suit against corporate defendants. *Travelers Health Assn.* v. *Virginia*, 339 U.S. 643 (1950); *Perkins* v. *Benguet Mining Co.*, 342 U.S. 437 (1952). While the narrow issue of these and the *International Shoe* cases was due process, the same criterion of fairness applies when the issue is whether defendant is "doing business", for purposes of federal jurisdiction or venue. "[T]he rationale of the 'fair play and substantial justice' doctrine as set forth in International Shoe Co. v. State of Washington, etc., supra, extends over into the consideration of the suability of foreign corporations under Acts of Congress." *Green* v. *U. S. Chewing Gum Mfg. Co.*, 224 F.2d 369, 372 (5 Cir. 1955). *Accord*: *Krnach* v. *Electro Lift*, 13 F.R.D. 131 (N.D. Ohio 1952); *Allegue* v. *Gulf & South American S. S. Co., Inc.*, 103 F. Supp. 34 (S.D. N.Y. 1952).

[8] Mr. Justice Black, with whom Mr. Justice Jackson joined, concurring in part and dissenting in part.

of other states. To adjust the practical administration of law to this situation the Court in recent years has refused to be bound by old rigid concepts about 'doing business.' Whether cases are to be tried in one locality or another is now to be tested by basic principles of fairness. . . ."

POLICY SUPPORTS CORRESPONDING BROADENING OF PATENT VENUE

Every reason of policy favoring suits against corporate defendants generally applies with at least equal force in patent infringement suits. Indeed, (*infra*, pp. 11-18), *historically the policy of Congress has consistently been to provide for broader venue in patent cases than in cases generally.* As Judge Clark said, following the language just quoted (*supra*, p. 7) (R. 10):

> "*No reason appears, therefore, why we should strain to discover unexpressed exceptions to this beneficial principle* [embodied in sec. 1391(c)], *which could so easily have been expressed, had they been intended.* Moreover, recognition of such exceptions is unreasonable, since all the grounds supporting the general rule appear fully as applicable to all the special cases including patent infringement."

In *Shelton* v. *Schwartz*, 131 F.2d 805, 809 (7 Cir. 1942), a patent infringement suit in which defendant had not been licensed to do business in the district, Judge Evans had said for the court shortly before revision of the Judicial Code began:

> "While the recent case of *Neirbo Co.* v. *Bethlehem Company*, supra, can be readily distinguished so far as the specific issue is concerned, the discussion there-

in, the implication of its holding, as well as the dissent, can not be ignored. The day of the foreign corporation's avoidance of liability to local residents with whom it has transacted business seems to be about over."

The modern approach permitting suit where a corporation is creating liabilities does not limit suit to the district in which the *particular* liability was created. *Perkins* v. *Benguet Mining Co.*, 342 U.S. 437 (1952).[9]

Furthermore, to hold in accordance with petitioner's contention that venue over a non-domiciliary corporation requires that it *both* have a "regular and established place of business" and have infringed in the district, would prevent suit in districts where corporate defendants were doing business and infringing widely,[10] a result quite out of step with present-day standards of fairness.[11]

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[9] Of course, whether a particular cause of action arose in the district is one factor bearing on whether the defendant is doing business there for purposes of the particular suit.

[10] With current national distribution techniques it seems reasonable to expect that infringement is more likely to be found in a particular state than is a "regular and established place of business."

[11] As the court said in *Kahn* v. *Maico Company*, 216 F.2d 233 (4 Cir., 1954), in finding that defendant was "doing business" so as to be subject to process under a Maryland statute (p. 237): "[This result] is in accord, also, with the sound public policy that foreign corporations engaging in business in a state either directly or through others should be subject to the jurisdiction of its courts, so that citizens of the state having claims arising out of such business may not be required to resort to the courts of an alien and distant jurisdiction to obtain justice." To the same general effect were, e.g., *Smyth* v. *Twin State Improvement Corp.*, 116 Vt. 569, 80 A.2d 664 (1951) and *Jenkins* v. *Doll Publishing Company*, 132 F. Supp. 556, 557 (W. D. Pa. 1955). In *Travelers Health Assn.* v. *Virginia*, 339 U.S. 643 (1950) the majority of this Court held that Virginia could compel a Nebraska insurance company to accept service of process on claims arising out of its Virginia activities, despite the fact that it had no paid sales or other representative in Virginia; "its new members are usually obtained through the unpaid activities of those already members, who are encouraged to recommend the Association to friends and submit their names to the home office." (p. 646)

Consistent Congressional Policy Historically of Broader Venue in Patent Cases Heavily Supports the Clear Statutory Language

Doubtless the strongest argument[12] seemingly cutting against the judgment below is grounded on the view that the prior special patent venue statute was originally enacted as a restrictive measure designed to curb abuses resulting from applicability of broader general venue provisions; and codification should not be permitted to change the rule to defeat this supposed policy. Even *Stonite Co. v. Melvin Lloyd Co.*, 315 U.S. 561 (1942), heavily relied on by petitioner, and the cases supporting its position, seem to have been thought relevant primarily as reflecting and supporting this supposed legislative purpose. The cases holding contrary to the court below relied heavily on this argument which permeates petitioner's brief (E.g., Pet. Br. 4, 6).

Yet, incredible as it may appear at first blush, *this argument is without merit,* as a critical evaluation of history, legislative and otherwise, makes clear.

From 1789 until 1887, general (including patent) venue was proper wherever a defendant was either an "inhabitant" or "found." In 1887 a restrictive *general venue* statute was passed, which (both as originally passed and as corrected in 1888)[12a] made venue proper only where defendant was an "inhabitant." (It was *this* statute, and not the later first special patent venue act, *infra,* which this court referred to in *Stonite* as prompted by "abuses engendered by [the] extensive venue" under the prior general venue statute. 315 U.S. 561, 563 (1942).) For a

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[12] Note, "Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts," 56 Col. L. Rev. 394, 413 (1956).

[12a] Act of March 3, 1887, c. 373, 24 Stat. 552 (amended by Act of August 13, 1888, c. 866, 25 Stat. 433).

detailed discussion of this history, with citation to the statutes involved see *Shaw* v. *Quincy Mining Company*, 145 U.S. 444 (1892).

At first the lower federal courts were apparently unanimous in treating the 1887 Act (as amended) as applicable to patent suits. *Stonite*, 315 U.S. 561, 564 (footnote 3). What followed is well summarized in *Stonite*, pp. 564-5 (citing cases in a footnote):

> "After the holding of *In re Hohorst*, 150 U.S. 653, that the Act of 1887 as amended did not apply to a suit against an alien or a foreign corporation, 'especially in a suit for the infringement of a patent right,' the lower federal courts became uncertain as to the applicability of the Act of 1887 to patent infringement proceedings. In explanation of *Hohorst's* case, it was said in *In re Keasbey & Mattison Co.*, 160 U.S. 221, 230, that 'It was a suit for infringement of a patent right, exclusive jurisdiction of which had been granted to the Circuit Courts of the United States . . .; and was therefore not affected by general provisions regulating the jurisdiction of the courts of the United States, concurrent with that of the several States.' Thereafter the lower federal courts, for the most part, took the position that the Act of 1887 as amended did not apply to suits for patent infringement, and that infringers could be sued wherever they could be found."

As to this phase of the history generally, see also *Bowers* v. *Atlantic, G. & P. Co.*, 104 Fed. 887 (C.C.S.D.N.Y. 1900) (Pet. Br. 7).

In this context Congressman Lacey introduced (29 Cong. Rec. 1418 (1897)) H. R. 10202, 54th Congress, 2nd Session, which resulted in the Act of March 3, 1897, c. 395, 29 Stat.

695,[13] which for the first time in this country's history made special provision for patent suits. The bill was reported (29 Cong. Rec. 1755 (1897)) favorably for the Committee of Patents by Mr. Mitchell, who read from the report [14] the following expression of the purpose of the bill (29 Cong. Rec. 1900):

> "This bill seeks to define the jurisdiction of the courts in patent suits and to remove the uncertainty which now arises as to such jurisdiction by reason of the conflicting decisions of the various circuit courts. *It further facilitates the bringing of suits in the place of business of the parties interested.*"

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[13] "[I]n suits brought for the infringement of letters patent the Circuit Courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought."

§ 48 of the 1911 Judicial Code provided:

> "'In suits brought for the infringement of letters patent the district courts of the United States shall have jurisdiction, in law or in equity, in the district of which the defendant is an inhabitant, or in any district in which the defendant, whether a person, partnership, or corporation, shall have committed acts of infringement and have a regular and established place of business. If such suit is brought in a district of which the defendant is not an inhabitant, but in which such defendant has a regular and established place of business, service of process, summons, or subpoena upon the defendant may be made by service upon the agent or agents engaged in conducting such business in the district in which suit is brought.'"

This provision later became § 109, 28 U.S.C. (1926).

[14] H. R. No. 2905, 54th Cong. 2d Sess.

Mr. Lacey, who had introduced the bill, then made several remarks to the effect that the *"main purpose" of the bill was to make possible patent suits where defendants had located infringing businesses.*[15]

Mr. Mitchell, who reported the bill, then made the remarks quoted as "significant" in *Stonite* (footnote 5, p. 565), as to the purpose to resolve uncertainty in the lower courts as to whether the 1887 Act governed patent venue.[16] It should be noted that only this part of the legis-

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[15] "Mr. Speaker, I introduced this bill at the suggestion of a number of gentlemen who live in the Northwest, and who have interest in patent rights that are frequently infringed in distant localities, and yet the sales of the patented articles so infringed are largely, or mainly, made in the vicinity where the owners of the patent happen to be located. For instance, the manufactory may be established at some distant point and the office where the goods are sold is opened in Chicago or in St. Louis or some other distant city. They have a permanent place of business at either city, and yet no relief can be had in the courts where the infringement is mainly carried on.

"The main purpose of the bill is to give original jurisdiction to the court where a permanent agency transacting the business is located, and that business is engaged in the infringement of the patent rights of some one who has such rights anywhere in the United States.

* * *

"It provides that the court shall have jurisdiction in the district of which the defendant is an inhabitant, *and that is the existing law now*, or [quoting the new second alternative proposed]." 29 Cong. Rec. 1900 (1897).

[16] "Mr. Speaker, the necessity for this law grows out of the acts of 1887 and 1888 which amended the judiciary act. Conflicting decisions have even arisen in the different districts in the same States as to the construction of these acts of 1887 and 1888, and there is great uncertainty throughout the country as to whether or not the act of 1887 as amended by the act of 1888 applied to patent cases at all.

"The bill is intended to remove this uncertainty and to define the exact jurisdiction of the circuit courts in these matters.

"The committee have been extremely careful in the investigation of the matter before reporting the bill.

"As the bill was referred to me, I wrote to a great many patent lawyers in different parts of the country, in order to get

lative history was brought to this Court's attention in the parties' briefs in *Stonite*.

The only objection came from Mr. Payne, who expressed the view that patent venue should not be given special treatment, but should be encompassed by the general venue rules. 29 Cong. Rec. 1901 (1897). Mr. Mitchell answered him by *inter alia* in effect summarizing his previous remarks[17], and then Mr. Lacey rephrased his earlier remarks. [18] The bill then passed.

Even less discussion took place in the Senate. The bill was there passed following this explanation by Senator Platt, who reported the bill for the Committee on Patents (29 Cong. Rec. 2396 (1897)):

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their views and objections, if any, and I find that they are all unanimously in favor of the bill as it is now reported, and state that it would tend not only to define the jurisdiction of the circuit courts not now defined, but also limit that jurisdiction and so clearly define it that in the future there will be no question with regard to the application of the acts of 1887 and 1888.

" . . . The trouble has arisen in this matter that under the act of 1888 some of the courts were uncertain whether or not the law did or did not apply to patent cases, and therefore this special bill relating to patents solely has been brought up because of the indefiniteness and uncertainty arising from different constructions of the act of 1888 as applied to patent cases." 29 Cong. Rec. 1900 (1897).

17 "[T]his special bill relating to patents solely has been brought up because of the indefiniteness and uncertainty arising from different constructions of the act of 1888 as applied to patent cases." 29 Cong. Rec. 1901 (1897).

18 "Business is going West, and a little plant on the seaboard often grows into a tremendous institution when it goes to Chicago and the great interior places where the population resides; and to deprive the courts of that community of jurisdiction would work hardship by reason of the expense that it would cause of having to take depositions or transport witnesses a thousand miles in the trial of a case. Why not have the trial where the transaction occurs? The jurisdiction under this bill only applies to the permanent place of business, or where the business is in existence." 29 Cong. Rec. 1902 (1897).

"Mr. President, corporations in these days that are using patented inventions go into various States and obtain charters or acts of incorporation and then do business in other States. *Now, to sue for an infringement of patent it is necessary that suit be brought in the State where the act of incorporation is obtained.* In some of the States there is no provision for service upon anyone, and the *corporations thus have an opportunity to infringe upon patents and almost escape any responsibility* for it by reason of the difficulty of finding them in order to sue them, for it is very inconvenient to travel across the continent to sue them when they are infringing in a business established near the plaintiff or the owner of the patent." 29 Cong. Rec. 2719 (1897).

Thus in the House of Representatives, two purposes were set forth in detail: (1) to provide for venue *broader than in cases generally*, in order to permit suit at places where infringing businesses were maintained; and (2) to resolve the uncertainties existing as to the applicability of the 1887 Act (as amended) to patent suits. *In the Senate only the former purpose was mentioned.*

This legislative history reflects concern not over abuses peculiar to patent suits resulting from broad venue, but over abuses permitted by a too narrow venue.

It may even be questioned whether the 1897 Act was in fact "restrictive", as this Court remarked in *Stonite* (315 U.S. 561, 566), for that assumes that the majority of the lower courts were correct, after *Keasbey*, in their judgment on a question never definitively answered by this Court. If the minority view was the correct one (which was to say the least, arguable), the 1897 Act was technically, as well as in Congressional contemplation, a liberalizing one.

But more important, *even if the 1897 Act was restrictive, it was so only in a technical sense,* and with respect to a general venue statute repudiated as over-broad ten years earlier. This act *did not restrict venue in patent suits with respect to a currently applicable general venue statute.* Congress acted in accordance with its strongly expressed purpose of making patent venue broader, in relation to the general venue statute then in force.

This was a policy clearly continued through the 1911 Code [19] and until at least 1948. It is a strange argument that a revision in that year, with plain language to the contrary, made patent venue narrower than general venue for the first time in our history.

So far as we know, the above history and considerations have not been presented to any court which has held that §1400(b) is not to be read with §1391(c). At the very least it must now be recognized, as Judge Aldrich said (*Denis* v. *Perfect Parts, Inc.*, 142 F. Supp. 259, 262 (D. Mass. 1956)):

> "Finally, defendant argues that §109 established a special policy for patent suits, and that this policy should be continued. The difficulty with this argument is that §109 established a policy of wider venue for patent suits than for other causes of action. If the exact interpretation of §109 is to be preserved in the face of the broadening of all other venue provisions with respect to corporations, it would mean that now, instead of being uniquely broad, venue in patent suits is uniquely narrow. Which 'policy' is to be continued—the previous exact meaning of §109, or that of liberal venue provisions for patent suits?"

Thus the legislative history of the 1897 Act supports

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[19] Footnote 13, p. 13, *supra.*

a construction of the patent venue section which is liberal, not restrictive, with respect to general venue provisions. No reason of substance, therefore, remains why the plain language of the 1948 statute should not be given effect; indeed its history, on analysis, gives positive support to the judgment of the court below.

Consideration in Connection with Other Portions of the Judicial Code Supports the Clear Statutory Language

The judgment below is given much support when sections 1400(b) and 1391(c) are read in context and together with other provisions of the Judicial Code of which they are part.

First of all, as Judge Clark said below (R. 10):

> *"It does seem odd drafting, to say the least, to add after a general and unlimited defining statute a series of eight or ten exceptions*—all unexpressed as such, but each destroying the generality of the first provision. For precisely the same problem can be raised—even though this does not seem to have been generally perceived—as to the series of special venue statutes in this chapter, as well as those elsewhere stated, such as seamen's suits under the Jones Act. It hardly seems possible—and the cases do not support the view—that Congress intended any such inroad on its general principle as to take out all these situations; nor is there any ground for distinguishing between, e.g., claims for patent infringement, for unfair competition, or for violation of the antitrust laws, which might properly come up in a single suit and be conveniently disposed of together."[20]

[20] See also *Farr Co.* v. *Gratiot*, 92 F. Supp. 320, 322 (S.D. Cal. 1950). As the Court below pointed out (R. 10, footnote 6), where

The truth of Judge Clark's final observation is underlined by new §1338(b) of the Judicial Code:

> "The district courts shall have original jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright, patent or trademark laws."

Furthermore, other sections, in form independent of §1400(b), affect patent venue. As Judge Hall said in *Farr Co.* v. *Gratiot*, 92 F. Supp. 320, 322 (S.D. Cal. 1950):

> "The 1948 Judicial Code has many changes in it and many additions to it, which must be read together with any individual section; for instance the addition of Sections 1404(a) and 1406 just mentioned. *To accept the [petitioner's] contention would be to say that these two sections apply to neither 1400(a) nor 1400(b).*"

We do not understand petitioner to challenge the applicability of § 1404(a)[21] to patent infringement suits; this section is applicable to venue even in cases governed by special sections outside Title 28.[22] As the court below found, *Collett* is "so analogous as to be authoritative here." (R. 8).[23]

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exceptions to the generality of a section were intended, as in subsections (a) and (b) of section 1391, they were expressly included. Both these subsections include the language "except as otherwise provided by law."

[21] "§ 1404. *Change of venue*

"(a) For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought."

[22] *Ex parte Collett*, 337 U.S. 55 (1949; Federal Employers' Liability Act [7-2]); *United States* v. *Nat. City Lines*, 337 U.S. 78 (1949; Government-brought antitrust suit [7-2]).

[23] The argument that a distinction can be drawn (Pet. Br. 27-28)

The inclusion of the transfer provision of § 1404(a) is extremely important from another standpoint:—it facilitates preventing any possible abuses. As Judge Hall said in *Farr*, 92 F. Supp. 320, 322, relying heavily on the new transfer provisions (despite a mistaken impression of the history of the special patent venue provision, pp. 11-18, *supra*):

> "But such reliance [on *Stonite*] overlooks the fact that the abuses in the choice of venue mentioned in the *Stonite* case may be cured by the use of the provisions for the transfer of cases permitted by Sections 1404(a) and 1406 of the 1948 Judicial Code, which are entirely new, and not just a revision or rephrasing of existing law."

Furthermore, the significance of § 1404(a) has been increased by this Court's recent decision that transfer is available on a lesser showing than would have been required for dismissal under prior law. *Norwood* v. *Kirkpatrick*, 349 U.S. 29 (1955).

Still another indication of Congressional purpose that venue in litigation involving validity and infringement of patents be no more limited than venue generally is found in Chapter 151, ("Declaratory Judgments") of the 1948 Judicial Code. In suits under this Chapter, § 1391 governs

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in that those cases involved the question of change of a proper venue while the present question relates to the earlier matter of when venue is proper, seems more verbal than substantial. As Mr. Justice Rutledge so clearly pointed out in his concurring opinion in *Collett* (p. 73), "[T]he changes made in [this court's earlier relevant decisions] by § 1404(a) were in the nature of repeals, to the extent that the plaintiffs were deprived of their rights under the pre-existing statutes to have their causes of action tried in the forums where they were properly brought."

venue.[24] No reason appears why a different rule should be applicable to a straightforward patent infringement suit than to such declaratory judgment suits, which are of course infringement suits in reverse.

Also significant[25] is omission from the 1948 Judicial Code of any provision comparable to § 294 of the Judicial Code of 1911:[26]

> "The provisions of this Act, so far as they are substantially the same as existing statutes, shall be construed as continuations thereof, and not as new enactments, and there shall be no implication of a change of intent by reason of a change of words in such statute, unless such change of intent shall be clearly manifest."[27]

The 1948 Judicial Code should be given straightforward reading as an organic whole. As Judge Aldrich said in *Denis* v. *Perfect Parts*, 142 F. Supp. 259, 262 (D. Mass. 1956):

> "Whatever may be the history of its precursors, as presently set up § 1400(b) appears no more a special act than does any other section of the chapter. Nor is § 1391(c) a general act. It is not even a whole act. In terms it is but definitions for the remaining sections of the chapter."

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[24] *Barber-Greene Co.* v. *Blaw-Knox Co.*, 112 USPQ 73 (6th Cir. January 11, 1957), see *Clayton* v. *Swift & Company*, 132 F. Supp. 154, 156 (E.D. Va. 1955) mandamus denied *sub nom.* *Clayton* v. *Warlick*, 232 F.2d 699 (4th Cir. 1956) and cases cited.

[25] Moore's "Commentary on the U. S. Judicial Code" (1949), p. 76.

[26] Act, Mar. 3, 1911, c. 231; 36 Stat. 1167.

[27] Though omitted from the 1926 Code except as a note to § 432 thereof this section was not repealed until 1948 (Pamphlet, "Judiciary and Judicial Procedure," U.S. Code Cong. Serv. 1487-2174, 80th Cong. 2nd Sess., p. 1656); and of course it had a bearing on the construction

Although Recourse to Legislative History Is Unwarranted That History Nevertheless Supports the Plain Meaning of the Statutory Language

The language of §§ 1400(b) and 1391(c) is so plain, we submit, that recourse to legislative history, including reviser's notes, is not justified. Nonetheless, critical consideration of these materials, on balance, provides yet additional support that the Congress meant what it said.

The Statutory Language Is Too Clear to Warrant Recourse to Legislative History.

Mr. Chief Justice Vinson's remarks, for the majority, in *Collett* (337 U.S. 55, 61) seem fully applicable here:

> "Petitioner's chief argument proceeds not from one side or the other of the literal boundaries of § 1404(a), but from its legislative history. The short answer is that there is no need to refer to the legislative history where the statutory language is clear. 'The plain words and meaning of a statute cannot be overcome by a legislative history which, through strained processes of deduction from events of wholly ambiguous significance, may furnish dubious bases for inference in every direction.' *Gemsco* v. *Walling*, 324 U.S. 244, 260 (1945). 'This canon of construction has received consistent adherence in our decisions.'" [28]

For an opinion applying these principles forcefully to the

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of separate sections of the code in which it too was included. *The pamphlet just cited is hereinafter referred to as "Code Cong. Serv. Pamph."*

[28] See also the opinion of Mr. Justice Jackson, with whom Mr. Justice Minton joined, concurring in *Schwegmann Bros.* v. *Calvert Corp.*, 341 U.S. 384, 395 (1951):

> "Resort to legislative history is only justified where the face of the Act is inescapably ambiguous, and then I think we should not go beyond Committee reports, which presumably are well considered and carefully prepared."

question at bar see Judge Huxman's dissenting opinion in *Ruth* v. *Eagle-Pitcher Company*, 225 F.2d 572, 578 (10 Cir. 1955).

NOR IS RECOURSE TO THE REVISER'S NOTES WARRANTED IN VIEW OF THE CLEAR STATUTORY LANGUAGE AND THE RELATIVE AMBIGUITY OF THE REVISER'S NOTES.

Although the "reviser's notes are so obviously authoritative in perceiving the meaning of the Code" (*United States* v. *Nat. City Lines*, 337 U.S. 78, 81 (1949)), not even they should be allowed to override plain language in the statute. Professor Moore said, after quoting the above language from the *Nat. City Lines* case:

> "The Notes, then, are to be taken as aids to construction, and to the extent that a Note fails to recount the complete changes made by a section, or is partially inaccurate, it cannot prevail over an unequivocal statutory provision."[29]

The above principle is *a fortiori* applicable where, as here, the reviser's notes are *more ambiguous* than the statute. Judge Aldrich well stated, in *Denis* v. *Perfect Parts*, 142 F. Supp. 259, 262 (D. Mass. 1956).[30]

> "As pointed out by Lindley, C. J., dissenting in the C-O-Two case [194 F.2d 410, 415 (7 Cir.)], the Eagle-Picher [225 F.2d 572 (10 Cir. 1955) (2-1)] rule re-

[29] Moore's "Commentary on the U. S. Judicial Code" (1949), p. 78. Accord: *Farr Co.* v. *Gratiot*, 92 F. Supp. 320, 322 (S.D. Cal. 1950; Hall, D.J.): "I cannot agree that the revisors' notes as to any particular section should control over the text of the Code, where there is no ambiguity in the text."

[30] This carefully reasoned opinion was, contrary to the inadvertent implication at page 7 of petitioner's brief on Petition for Writ of Certiorari, handed down almost two weeks prior to the decision of the court below.

writes § 1391(c) to say in effect, 'for the purpose of every section of this chapter *except* § 1400(b), "resides" in the case of corporations means doing business.'

"For such interpolation of an unexpressed limitation there should be some clearly compelling warrant. The majority opinion in Eagle-Picher states that if warrant is not found on the basis of special versus general acts, it is found in the Reviser's Notes. Assuming, without deciding, that the statute is sufficiently ambiguous to permit such recourse, still it is not appropriate unless the Reviser's Notes are clear and unambiguous, or at least more clear and less ambiguous than the statute itself. With all deference, I do not find this to be the situation. It is true that the Reviser's Notes to § 1400(b) point out that this section is taken from § 109 of Title 28 U.S.C., 1940 ed., where instead of resident the word used was inhabitant, and state that as respects venue the two words are synonymous. It is true, also, that inhabitant as respects corporations was limited in § 109 to the state of incorporation. But so, too, it was then so limited with respect to all other actions. See *Suttle* v. *Reich Bros. Construction Co.*, 333 U.S. 163, 166, 68 S.Ct. 587, 92 L.Ed. 614, rehearing denied 333 U.S. 878, 68 S.Ct. 900, 92 L.Ed. 1153. Section 1391(c) has now expressly changed that. It is to be observed that the Reviser's Notes to § 1400 specifically refer to the note to § 1391. It scarcely seems that the Reviser was then forgetful of the fact that § 1391(c) broadened generally the meaning of resident in the case of corporations. In sum, I do not find in the Notes any clear or compelling ground to read into § 1400(b) an exception to the supplied definitions." (emphasis the court's)

LEGISLATIVE HISTORY OF 1948 JUDICIAL CODE SUPPORTS THE JUDGMENT BELOW.

Though resort to legislative history is not warranted, when studied as a whole, that history, on balance, supports further the language of the statute. The history manifests throughout three major legislative purposes:—to modernize the law; to resolve conflicts in the law; and to put the law into clear and easily understandable form. All three purposes are given effect by the judgment of the court below; but at least the first and third would be defeated by a decision to the contrary.

While there is some support in the legislative history for the argument that no "change" was intended unless pointed out in the reviser's notes, there is also material pointing the other way. And although there are expressions in the legislative history that no "substantive controversial change" was intended, it seems clear, in perspective, that, in fact, this case is concerned with no "substantive controversial change" in the sense in which those words were used.

The Statutory Language Gives Effect to Legislative Intent to Modernize and Improve the Law.

The legislative history shows throughout that one major purpose was to modernize and improve the Judicial Code, including specifically the venue provisions.

The revisers were at great pains to collect all pertinent statutory, decisional, and law review material available.[31]

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[31] "Before actual revision was begun a scientific plan was assembled. This included:

* * *

"4. Applicable constructions by the courts.

"5. Notes based upon a careful examination of the Code of Federal Regulations and law reviews.

"6. Exhaustive historical notes.

* * *

"8. Suggestions from the bench and bar."

They asked for and received suggestions from the bench, and from practicing and teaching members of the profession.

> "When work first began on title 28, letters were mailed to all Federal judges, United States attorneys, deans of law schools, and presidents of bar associations, explaining the revision and asking for suggestions and criticisms. Many letters received by the committee in response contained recommendations for the improvement of the judicial code. These were catalogued, studied and made available to the revision staff. *They were invaluable in making possible a thorough revision.*" [32]

See also the remarks of Judge Albert B. Maris,[33] who explained his committee's work of seeking, collating, and transmitting to the reviser's staff suggestions of the lower federal judiciary, and said:[34]

> "The result is that the revision which is now incor-

H. R. Report No. 308, 80th Cong., 1st Sess., to accompany H. R. 3214; Code Cong. Serv. Pamph., pp. 1692-1693.

See also the remarks of Judge Miller, a member of the "advisory committee" created by the publishing companies undertaking the revision (Code Cong. Serv. Pamph., p. 1946):

"We had the books before us, and we had the decisions of the Supreme Court and the circuit courts of appeals and we had all the information before us that a judge would have working on a brief in his chambers." Code Cong. Serv. Pamph., p. 1952.

[32] H. R. Report No. 308, 80th Cong., 1st Sess., to accompany H. R. 3214; Code Cong. Serv. Pamph., p. 1695.

[33] Judge Maris was a member of the advisory committee appointed for the Judicial Conference by the Chief Justice of this Court (Code Cong. Serv. Pamph., p. 1947), and testified at a Hearing on H. R. 2055 (predecessor to H. R. 3214, the bill which was enacted as the 1948 Judicial Code), March 7, 1947.

[34] Code Cong. Serv. Pamph., pp. 1958, 1959.

porated in H.R. 2055 embodies a number of practical improvements in the judicial machinery of a wholly noncontroversial nature which have resulted from suggestions originating with the judges whose day to day administration of the various provisions of the judicial code gives them a special knowledge of these matters.

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"Existing inconsistencies and ambiguities have been removed and obsolete and archaic provisions eliminated or modernized. At the same time care has been taken to make no changes in the existing laws which would not meet with substantially unanimous approval."

In addition to the above reflections of legislative purpose to improve and modernize were remarks made by several other participating experts.[35] John F. X. Finn, Esq. said (Code Cong. Serv. Pamph., p. 1985):

"This code is a progressive code, a wise code, a flexible code, and a cautious code.

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"*I am proudest of the way this proposed code deals with jurisdiction, venue, removal of causes, full faith and credit, and evidence and procedure.* These are but labels to the laymen. To lawyers they are the pitfalls of litigation. Wise judges and lawyers have objectively and dispassionately explored these pitfalls and covered them with well-drawn statutes so that postwar justice may be sure-footed, courageous, impartial, and serene.

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[35] See also the comments of Professor James William Moore (Code Cong. Serv. Pamph., p. 1967) and Judge Floyd E. Thompson (*Ibid.*, p. 1970).

> "The legislature must see to it that wise and progressive judges are provided with the tools of justice. And *the legislative foundation of judicial action must be broad-based and modernized.* These objectives this bill assists in achieving. *It adapts the statutory basis* of justice to resist when necessary and to yield when necessary to the stresses and strains of modern affairs." [36]

Thus one strong legislative purpose was to *improve and modernize,* including specifically venue provisions, on the basis of the latest suggestions and legal material. That the modern policy favoring broadened venue on a realistic basis against corporations generally was considered by the revisers is of course shown by their inclusion of § 1391(c).[37] But, as above shown (p. 9), the same policy was at least equally applicable in patent infringement suits.[38] And the question specifically in relation to patent cases was well to the fore when the Judicial Code was in preparation, both as a matter of evaluating the import of *Neirbo (infra,* pp. 29-30) and on general principles.[39]

The plain language of the statute must govern to give effect to the legislative purpose of improving and modernizing in conformity with available suggestions and legal materials.

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[36] Code Cong. Serv. Pamph., p. 1985. Mr. Finn was a staff member of the Committee on Revision of the laws, which was primarily charged with responsibility for the Judicial Code. *Ibid.*, p. 1946.

[37] See also Judge Clark's discussion, *supra* pp. 7-8, of the material favoring this modernization.

[38] As a matter of historical Congressional policy, policies favoring broadened venue were *a fortiori* applicable to such suits. *Supra,* pp. 11-18.

[39] See the language quoted from *Shelton, supra,* pp. 9-10.

The Statutory Language Gives Effect to Legislative Intent to Resolve Conflicts.

Another important legislative purpose was to resolve conflicts.

As stated in H.R. Report No. 308:[40]

> "Revision, as distinguished from codification, required the substitution of plain language for awkward terms, *reconciliation of conflicting laws*, repeal of superseded sections, and consolidation of related provisions."[41]

And further, under the heading "Examples of Changes in Law":

> "So also, minor changes were made in the provisions regulating the venue of district courts in order to clarify ambiguities or to reconcile conflicts. These are reflected in the reviser's notes under Sections 1391-1406."[42]

Contrary to petitioner's impression of what courts had "consistently and universally" held (Pet. Br. 8) prior to 1948, there then existed with respect to patent venue much the same sort of conflict as to the import of *Neirbo* as existed with respect to venue generally.[43]

That *Neirbo* extended patent venue was squarely held

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[40] *Supra*, p. 25, note 31.

[41] Code Cong. Serv. Pamph., p. 1693.

[42] *Ibid*, p. 1697. See also, in addition to Judge Maris' remarks (*supra*, p. 27), the remarks at the same hearing of Mr. William W. Barron, Chief Reviser, to the effect that the purpose was to present a "*restatement . . . which would clarify ambiguities, eliminate overlapping and conflicting provisions of law and simplify existing law*, so as to promote the administration of justice in the Federal courts." *Ibid.*, p. 1964.

[43] See note 6, *supra*, p. 7.

in two final decisions. *California Stucco Products* v. *National Gypsum Co.*, 33 F. Supp. 61 (D. Mass. 1940); *James P. Marsh Corp.* v. *United States Gauge Co.*, 129 F.2d 161, 162 (7 Cir. 1942). *Accord: Farval Corp.* v. *Blaw-Knox Co.*, 60 F. Supp. 900 (N.D. Ohio 1945). However, *Farval* was reversed in *Blaw-Knox Co.* v. *Lederle*, 151 F.2d 973 (6 Cir. 1945), *Neirbo* being distinguished on the ground it was a diversity case.[44] *Accord: Consolidated Water Power & Paper Co.* v. *Kimberly-Clark Corp.*, 73 F. Supp. 936 (E. D. Wisc. 1947). We have found no other decisions squarely in point.[45]

It seems strongly arguable that the better view found *Neirbo*, which turned on waiver, applicable to patent infringement cases.[46] But however that may be, there certainly was a conflict.

It is just such conflicts that the legislative history shows a strong purpose to resolve.

The language of the statute should thus be given effect to resolve the conflict as to whether *Neirbo* was applicable to patent infringement suits.

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[44] See also *American Chemical Paint Co.* v. *Dow Chemical Co.*, 161 F.2d 956, 959 (6 Cir. 1947).

[45] There were *dicta* in accord with the sixth circuit *Blaw-Knox* decision in *Bulldog Electric Prod. Co.* v. *Cole Electric Prod. Co.*, 134 F.2d 545 (2 Cir. 1943), *cert. denied*, 322 U.S. 714 (1944), and *American Chemical Paint Co.* v. *Dow Chemical Co.*, 161 F.2d 956, 959 (6 Cir. 1947). The question is discussed in *Carbide & Carbon C. Corp.* v. *United States I. Chemicals*, 140 F.2d 47, 50 (4 Cir. 1944) *reversed*, 315 U.S. 668.

This subject was discussed (with somewhat inaccurate handling of the cases) in Note, "The Aftermath of the Neirbo Case" 42 Ill. L. Rev. 780, 786-8 (1948).

[46] In *General Elec. Co.* v. *Marvel Co.*, 287 U.S. 430 (1932) it was held that venue may be waived in such a suit, and cases finding *Neirbo* inapplicable except to diversity suits would appear to have been unsound.

The Statutory Language Should Govern to Give Effect to the Congressional Purpose That the Meaning of the Code Be Clear to the Reader.

Another strong legislative purpose was to produce a code which was clear.[47]

Mr. Keogh said:

> "I am concerned not only with the bench and bar, Mr. Chairman, but I think the public is entitled primarily to know what the laws of its country are, and I think that the public is entitled to have those laws presented to it in the clearest, most concise and most understandable form and it is my opinion that that can be accomplished by the work which your subcommittee is now undertaking."[48]

Mr. Robsion said on the floor of the House:

> "It will serve not only as the body of the laws that are now in existence, but also as a framework for future laws. The law on any particular subject can then be quickly and easily found by the average intelligent citizen and in the event that amendments or changes are desirable, it will be most helpful in that respect."[49]

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[47] See language quoted *supra*, p. 27.

[48] Hearing before Subcommittee No. 1 of House Judiciary Committee, March 7, 1947. Code Cong. Serv. Pamph., 1949-1950. Mr. Keogh introduced the original bill. *Ibid.*, p. 1941. Mr. Finn (footnote 36, p. 28, *supra*), said of the revision conferences at the same Hearing (*Ibid.*, p. 1983):

> "These conferences exuded idealism and enthusiasm and yet practical restraint. *The omnipresent text was Mr. Keogh's observation that 'making the laws understandable is as important as making the laws.'*"

[49] July 7, 1949. Code Cong. Serv. Pamph., p. 1994. Mr. Robsion reported H. R. 3214 for the Committee of the Judiciary. *Ibid.*, p. 1692.

Certainly the judgment below must be affirmed if this legislative purpose is to be given effect.

Not All Substantive Changes Were Clearly Specified as Such in the Reviser's Notes.

Petitioner argues that the legislative history indicates a purpose to effect no changes not "clearly expressed and fully explained in the reviser's notes" (Pet. Br., footnote 6, pp. 12, 13).

One very compelling answer to this argument was given by Judge Huxman, dissenting in *Ruth* v. *Eagle-Picher Company*, 225 F.2d 572, 578-579 (10 Cir. 1955):

> "But not all important changes were noted in the revisor's notes. Clearly an important change was made in Section 1391(c), yet the revisor's notes do not call attention to this change."[50]

The change in patent venue found by the court below is, at most, a special case within the policy and change clearly enacted in § 1391(c), a section of enormously wider applicability than § 1400(b).

Furthermore, there seems some indication that the reviser's expressed *intention was rather to point out all changes in "text"*[51] *than to point out the full legal implications of every change.* Of course the reviser's notes to § 1391(c) and § 1400(b) do clearly point out that the

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[50] As a matter of fact, the reviser's notes to § 1404(a) hardly pointed out *clearly* the change held in *Collett* to have been effected, despite the citation of one case which, though not said to be, had in fact been decided under the Federal Employers' Liability Act (Act of April 22, 1908, c. 149; 35 Stat. 65; as amended; 45 U.S.C. §§ 51-59). Not even this sort of clue was given with respect to government anti-trust suits, as to which it was held in a companion case that § 1404 (a) was also applicable. *United States* v. *Nat. City Lines*, 337 U.S. 78 (1949).

[51] See especially the quotations at p. 14 in footnote 6, Pet. Br. 12.

language was changed, and go so far even as to include in the latter a cross-reference to the former.

The Change in Corporate Patent Venue Was Not a "Controversial Substantive" Change.

It is argued further that no changes in law were intended except those that would meet with "substantially unanimous approval" or were "non-controversial".[52]

The change clearly worked in § 1391(c) leaves little of this argument.[53] In perspective, a broadened patent venue

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[52] Pet. Br. 12, 13, 14 (footnote 6). Interesting statements of the approach intended, not quoted by petitioner, were made by Mr. Keogh and Senator Donnell. Mr. Keogh said (Code Cong. Serv. Pamph., p. 1945):

> "The policy that we adopted, which in my mind has been very carefully followed by the revisers and by the staffs of the publishing companies as well as the employees of the committee, was *to avoid wherever possible and whenever possible the adoption in our revision of what might be described as controversial substantive changes of law.*"

Mr. Donnell said, answering a question of Mr. Robertson on the floor of the Senate (Code Cong. Serv. Pamph., p. 2020):

> "The bill presents this codification as a thoroughly expert codification of existing law; does it not?
>
> "Mr. Donnell. Mr. President, that is not quite an accurate statement to this extent: In codifying and revising, it was felt essential in some instances—as, for instance, in the matter of habeas corpus—to redraft the provisions of the statute. We have the advantage of knowing what the judicial conference of senior circuit judges, of whom the Honorable John J. Parker, I think, is the head, had decided as to what should be done with respect to that particular subject. That is but one illustration of various changes that have been made.
>
> "*It would take considerable time to state all the changes;* but I may say that the purpose of this bill is primarily to revise and codify and to enact into positive law, *with such corrections as were deemed by the committee to be of substantial and noncontroversial nature.*" Code Cong. Serv. Pamph., p. 2020.

[53] *Denis* v. *Perfect Parts*, 142 F. Supp. 259, 262 (footnote 5) (D. Mass. 1956):

> "This admitted and obvious change would seem to rebut the presumption of no change through codification referred to in

can hardly be said to be more controversial than a correspondingly broadened general venue section of vastly wider applicability.

Another and more fundamental answer to petitioner's argument is that, from the standpoint of the revisers, resolving the *Neirbo* conflicts on the scope of general and patent venue, and at the same time liberalizing both slightly by putting corporate venue on a more realistic and generally favored modern basis, would hardly have been thought controversial. It would have been much more reasonable to expect substantial unanimity with respect to these changes, which were of the very sort the revisers repeatedly stated they intended (*supra*, pp. 25-32).

Some light on the sort of thing the revisers thought of as "controversial" is shed by noting both the sorts of change that were avoided as such (in the peonage laws and in crimes against international law;[54] elimination of diversity jurisdiction[55]) and the types of change that were made (§§ 1404(a), 1406, and 1391(c); and even the provision making the Tax Court a judicial body, which proved

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Eagle-Picher. In the face of that change I find certain statements by Messrs. Barron and Moore quoted in the majority opinion to the effect that the revision makes no alterations in existing law hard to understand."

[54] Judge Miller said (Code. Cong. Serv. Pamph., p. 1953):

> "*In a few areas we felt that more work was necessary before it could be said that complete revision has been accomplished;* but that the time is not yet ripe for doing it. For example, consider the subject of *slavery and peonage.* The laws upon this subject were in disuse for many years."

He then referred to another example: "the area of crimes against international law".

[55] Professor Moore, after specifying "Improvement" as one purpose of the revision, said:

> "The latter might have involved far-reaching change. For example, diversity jurisdiction might have been eliminated, as many have advocated. But the revision has made no basic changes." Code Cong. Serv. Pamph., p. 1967.

to be controversial[56] and was deleted in Senate committee[57]).

The following comment in Professor Moore's treatise[58] seems especially appropriate:

> "Nor can plain statutory language be overcome by the argument that it involves a 'controversial' matter and that the Code made no changes of a controversial character. [Citing *Nat. City Lines.*] *To special interests and special pleaders the Code has probably made many 'controversial' changes.*"

THE REVISER'S NOTES SUPPORT THE JUDGMENT BELOW

Although reference to the reviser's notes is unwarranted, in view of the clearness of the statute and the relative ambiguity of the notes, they nevertheless suggest that §§ 1391(c) and 1400(b) should be read together. For after mentioning the change in language from "inhabitant" to "where the defendant resides," the reviser's note to § 1400 says:

> "Words, 'inhabitant' and 'resident,' as respects venue, are synonymous. *(See reviser's note under section 1391 of this title.)*"

Petitioner's arguments finding support in these notes (Pet. Br. 13-20) seem fully answered by Judge Aldrich's analysis (quoted *supra*, p. 24).

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[56] Code Cong. Serv. Pamph., p. 2009.

[57] Code Cong. Serv. Pamph., p. 2037.

[58] *Op. cit.*, note 29, p. 23, at p. 79.

The Judgment Below Finds Substantial Support In Decisions of the Lower Federal Courts and Other Authorities

The view that the plain language of the statute controls finds substantial support in the legal writings, and in the decisions of the lower federal courts, both on the question at bar and on closely analogous questions.

Authorities on the Question at Bar

In accord with the court below are square holdings, supported by carefully reasoned opinions, of one other unanimous Court of Appeals[59] and two District Courts,[60] as well as the legal writers generally, including Professor Moore.[61]

The two Court of Appeals opinions supporting judgments to the contrary effect[62] were marked by vigorous dissents, and relied heavily on a mistaken view of Congressional patent venue policy, as thought to be reflected in *Stonite*. The latter may also be said of the District

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[59] *Dalton* v. *Shakespeare Co.*, 196 F.2d 469 (5 Cir. 1952); *Guiberson Corp.* v. *Garrett Oil Tools*, 205 F.2d 660 (5 Cir. 1953), *cert denied*, 346 U.S. 886, *rehearing denied*, 346 U.S. 917 (1955).

[60] *Denis* v. *Perfect Parts*, 142 F. Supp. 259 (D. Mass. 1956); *Farr Co.* v. *Gratiot*, 92 F. Supp. 320 (S.D. Cal. 1950).

[61] James William Moore, "Commentary on the U. S. Judicial Code" (1949), pp. 178-179, 183-185, 192-194; 3 Moore's Federal Practice 2139, 2140 (2 Ed. 1948); Note, "Doing Business as a Test of Venue and Jurisdiction over Foreign Corporations in the Federal Courts", 56 Col. L. Rev. 394, 413-416 (1956); Note, "Venue in Patent Infringement Suits in the Federal Courts", 47 Nw. L. Rev. 699-705 (1952); Note, "A New Look at Venue in Patent Infringement Suits", 21 Geo. W. L. Rev. 610 (1953).

[62] *Ruth* v. *Eagle-Picher Company*, 225 F.2d 572 (10 Cir. 1955) (2-1); *C-O-Two Fire Equipment Co.* v. *Barnes*, 194 F.2d 410 (7 Cir. 1952) (2-1), *aff'd by an equally divided Court sub nom. Cardox Corporation* v. *C-O-Two Fire Equipment Co.*, 344 U.S. 861, *rehearing denied* 344 U.S. 900 (1952).

Court opinions in accord,[63] of the dicta to the same effect,[64] and of the decisions[65] refusing to read § 1392(a)[66] together with § 1400(b).

Several other cases often cited on the question at bar did not express, even in dictum, a viewpoint on that or any substantially analogous matter.[67]

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[63] *Kamkap, Inc.* v. *Worldsbest Industries*, 140 F. Supp. 854 (S.D. N.Y. 1956); *Otto* v. *Koppers Company*, 134 F. Supp. 886 (N.D. W.Va. 1955); *Jones* v. *Radio Corporation of America*, 129 F. Supp. 440 (S.D. N.Y. 1955); *Pierce* v. *Perlite Aggregates*, 110 F. Supp. 684 (N.D. Cal. 1952); *Gulf Research & Dev. Co.* v. *Schlumberger Well Sur. Corp.*, 92 F. Supp. 16 (S.D. Cal. 1950); *Rava* v. *Westinghouse Electric Corporation*, 90 F. Supp. 707 (S.D. N.Y. 1950).

[64] Most dicta were of opinion that §§ 1400(b) and 1391(c) were not to be read together. *Sunbeam Corporation* v. *Picard*, 227 F.2d 596 (6 Cir. 1955); *Fairhope Fabrics, Inc.* v. *Mohawk Carpet Mills, Inc.*, 140 F. Supp. 313 (D. Mass. 1956); *Clayton* v. *Swift & Company*, 132 F. Supp. 154 (E.D. Va. 1955); *Transmirra Products Corp.* v. *Magnavox Co.*, 110 F. Supp. 676 (S.D. N.Y. 1953); *Ronson Art Metal Works* v. *Brown & Bigelow, Inc.*, 104 F. Supp. 716 (S.D. N.Y. 1952); *Federal Electric Products Co.* v. *Frank Adam Electric Co.*, 100 F. Supp. 8 (S.D. N.Y. 1951); *Nachtman* v. *Jones & Laughlin Steel Corporation*, 90 F. Supp. 739 (D.D.C. 1950). *Contra*: *Pharma-Craft Corporation* v. *F. W. Woolworth Co.*, 144 F. Supp. 298 (M.D. Ga. 1956), *mandamus denied*, 236 F.2d 911 (4 Cir. 1956).

[65] *Ackerman* v. *Hook*, 183 F.2d 11 (3 Cir. 1950); *Arkay Infants Wear* v. *Kline's, Inc.*, 85 F. Supp. 98 (W.D. Mo. 1949); *Fischer* v. *Karl*, 84 F. Supp. 53 (E.D. N.Y. 1949); and, apparently, *Curtis* v. *Madovoy*, 84 F. Supp. 637 (E.D. N.Y. 1949). These cases, of course, deal under the 1948 Code with much the same problem which *Stonite* faced under the predecessor code.

[66] "*Defendants or property in different districts in same State*

"(a) Any civil action, not of a local nature, against defendants residing in different districts in the same State, may be brought in any of such districts."

[67] *Gulf Research & Development Co.* v. *Leahy*, 193 F.2d 302 (3 Cir. 1951), aff'd *by an equally divided Court*, 344 U.S. 861, *rehearing denied*, 344 U.S. 900 (1952); *S. O. S. Co.* v. *Bolta Co.*, 117 F. Supp. 59 (N.D. Ill. 1953); *Dolly Toy Co.* v. *Bancroft-Rellim Corp.*, 97 F. Supp. 531 (S.D. N.Y. 1951); *Latini* v. *R. M. Dubin Corporation*, 90 F. Supp. 212 (N.D. Ill. 1950); *Lisle Mills* v. *Arkay Infants Wear, Inc.*, 84 F. Supp. 697 (E.D. N.Y. 1949).

Decisions Under the Jones and Clayton Acts Strongly Support by Analogy the Judgment Below.

Decisions under the Jones and Clayton Acts, both characterized by special venue provisions not even encompassed within the 1948 Judicial Code, strongly support by analogy the judgment below.

Judge Weinfeld's decision in *Phillips* v. *Pope & Talbot, Inc.*, 102 F. Supp. 51, 52 (S.D.N.Y. 1952), quoting the strikingly similar Jones Act [68] venue provision, seems of sufficient bearing to quote:

> "The venue provision of the Jones Act is as follows: '* * * jurisdiction * * * shall be under the court of the district *in which the defendant employer resides or in which his principal office is located.*' * * *
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> * * *
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> "The Jones Act is such a special statute to which the general venue provisions of Section 1391 are applicable. So construed Section 1391(c) extends the term 'residence' in the Jones Act so that a corporation may be sued in the judicial district wherein it is doing business or licensed to do business. See also *Bagner* v. *Blidberg Rothchild Co., Inc.*, D.C., 84 F. Supp. 973; *Bounds* v. *Streckfus Steamers, Inc.*, D.C., 89 F. Supp. 242; *Mincy* v. *Detroit & Cleveland Navigation Co.*, D.C.S.D. N.Y., 94 F. Supp. 456.
>
> "Absent a clear expression of intent by the Congress to confine a litigant to the special venue provisions of the Jones Act, he should not be deprived of the extended provisions of the general venue statute. No such intention appears."

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[68] Act of June 5, 1920, c. 250, § 33, 41 Stat. 1007; 46 U.S.C. § 688.

The three decisions cited were all holdings to the same effect, and no decision to the contrary has been found.

Two decisions under the Clayton Act [69] have found venue proper where defendant was licensed to do business, relying on § 1391(c). *Bertha Bldg. Corp.* v. *National Theatres Corp.*, 106 F. Supp. 489 (E.D.N.Y. 1952); *Lipp* v. *National Screen Service Corp.*, 95 F. Supp. 66 (E.D. Pa. 1950). Judge Kennedy said in the *Bertha* case, in language equally relevant to the question at bar (p. 490):

> "For even if the matter were *res integra* I would reach the conclusion that when Congress affords a plaintiff-litigant the opportunity to sue in a prescribed district because of the existence of a specific federal question (arising under the anti-trust laws), and also in another statute gives wider latitude where *any* federal question exists, it would be a narrow technicality to close the doors of the courts of the latter district unless Congress had given some indication that this was its intention, which here it did not."

Because he too shared the widespread misimpression that "apparently in cases under the patent laws Congress has evinced an intention to restrict venue . . .", he felt the question "not free from difficulty" (p. 490), but went on (pp. 490, 492):

> "But I find no reason why a suitor under the anti-trust laws should by implication be unduly fettered by venue provisions, particularly since cases of harassment can be dealt with under the forum non conveniens theory.

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[69] Act of October 15, 1914, Chap. 323, 38 Stat. 730, as amended; 15 U.S.C. §§ 12-27.

> *"Congress must surely also have known that a flood of litigation had turned on the question of what constitutes doing business and on the Neirbo waiver doctrine: and the whole trend, I think, was towards the elimination or reduction of venue-jurisdiction complications when the code was revised in 1948.* The only conclusion I can reach is that when Congress made a foreign corporation suable 'in any judicial district in which it is * * * licensed to do business' Congress meant what it said, and therefore that the venue here is properly laid under the section in question."

And in *Anderson-Friberg, Inc.* v. *Justin R. Clary & Son*, 98 F. Supp. 75, 83 (S.D. N.Y. 1951) it was held that § 1392 (a) of Title 28 is also applicable to Clayton Act suits. Judge Weinfeld's reasoning there is directly applicable here, in view of the consistent historical Congressional intent to provide for liberal patent venue:

> "The special venue provisions contained in the anti-trust laws were intended as an enlargement of venue and to broaden the choice of a forum available to plaintiffs in anti-trust actions. *United States* v. *Scophony Corporation of America*, 333 U.S. 795, 804. . . .
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> * * *
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> "The general venue provisions now contained in New Title 28, Sections 1391 et seq., effective September 1, 1948, may be considered supplementary to, and not in limitation of, the venue provisions contained in the anti-trust laws and other special statutes. Thus, for example, the forum non conveniens provision, Section 1404(a) of Title 28, has been held applicable to anti-trust suits. . . ."

CONSTRUCTION OF THE OTHER SPECIAL STATUTES IN CHAPTER 87 SUPPORTS THE JUDGMENT BELOW.

The decisions under the other special venue sections following § 1391 lend strong support to the decision of the court below.

The only decision found under the interpleader special venue section [70] held that it must be read with § 1391(c). *Moseley* v. *Sunshine Biscuits*, 110 F. Supp. 157 (W.D. Mo. 1952).

The only decisions found have held that § 1391(c) must also be read with §§ 1393(a) and 1393(b),[71] which prescribe the proper division or district for suit against single and multiple defendants, respectively. *Reeder* v. *Corpus Christi Refining Co.*, 111 F. Supp. 756 (S.D. Tex. 1952) (under § 1393(a)); *Pan American Air.* v. *Consolidated Vultee Air. Corp.*, 87 F. Supp. 926 (S.D.N.Y. 1949) (under § 1393(b)).

Section 1391(c) was held applicable to corporate plaintiffs in suits against the United States within § 1402,[72] in *Southern Paperboard Corporation* v. *United States*, 127

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[70] "§ 1397. *Interpleader*

"Any civil action of interpleader or in the nature of interpleader under section 1335 of this title may be brought in the judicial district in which one or more of the claimants reside."

[71] "§ 1393. *Divisions; single defendant; defendants in different divisions*

"(a) Except as otherwise provided, any civil action, not of a local nature, against a single defendant in a district containing more than one division must be brought in the division where he resides.

"(b) Any such action, against defendants residing in different divisions of the same district or different districts in the same State, may be brought in any of such divisions."

[72] "§ 1402. *United States as defendant*

"(a) Any civil action against the United States under subsection (a) of section 1346 of this title may be prosecuted only in the judicial district where the plaintiff resides.

"(b) Any civil action on a tort claim against the United States under subsection (b) of section 1346 of this title may be prosecuted only in the judicial district where the plaintiff resides or wherein the act or omission complained of occurred."

F. Supp. 649 (S.D.N.Y. 1955), in which Judge Dimock cited a number of cases in support of his decision, and expressly rejected the reasoning of *United Merchants & Manufacturers* v. *United States*, 123 F. Supp. 435 (M.D. Ga. 1954), a case to the opposite effect.[73]

We have already referred to the decisions refusing to read § 1392(a) with § 1400(b).[74]

Stonite Was Decided on Such Different Circumstances As to Be Easily Distinguishable

The decisions supporting petitioner's position on the question at bar have relied heavily on *Stonite Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561 (1942). Critical examination of *Stonite* shows that it is neither controlling nor seriously persuasive on the question at bar.

We have already shown that a widespread judicial impression that *Stonite* reflected and supported a Congressional policy favoring restrictive venue in patent cases was inaccurate, in every substantial sense. The 1897 Act was not restrictive but liberalizing, at least with respect to the then applicable general venue statute. It would seem that this undercuts the single strongest reason why courts have regarded *Stonite* relevant on the question here.

Furthermore, *Stonite* involved the question whether a section expressed as an exception to a general venue section (the latter being then admittedly inapplicable to patent

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[73] In any case, however, there is internal evidence in the first sentence of § 1391(c) itself which makes possible a distinction of the corporate *plaintiff* situation, if in a proper case that should seem required. It is arguable that "such judicial district" referred back to a district in which a "corporation may be sued," and that "for venue purposes" must be read therewith as meaning in suits against corporations. Professor Moore apparently regarded § 1391(c) as applicable to corporate defendants only, though he was convinced all special venue statutes must be read therewith. "Commentary on the U. S. Judicial Code" (1949), pp. 174, 178, 179.

[74] *Supra*, p. 37.

venue) was applicable to modify a patent venue provision referring to it in no way whatever. In the case at bar the question is not whether § 1400(b) is the exclusive provision governing patent venue, but rather, what is its meaning?

As Judge Clark said in the Court below (R. 6):

> "As was held with respect to earlier legislation, the second provision should control here. *Stonite Products Co.* v. *Melvin Lloyd Co.*, 315 U.S. 561. Even so, that requires but the insertion in it of the definition of corporate residence from the first provision—just as that definition is properly to be incorporated into other sections of the venue chapter, . . ."

In short, the *Stonite* case does not support the proposition that plain statutory language (solidly buttressed by policy and history) should be disregarded.

Finally, *Stonite* was decided under a judicial code including § 294, a rule of construction excluded from the 1948 Code (*supra*, p. 21).

Other Arguments that the 1948 Revision Made Patent Venue Narrower than General Venue Are Also Unsound

We have already dealt with the major arguments used to support petitioner's position. We now turn briefly to other arguments similarly used.

A recurrent argument so used is that to read § 1391(c) with § 1400(b) "would result in partial if not complete emasculation" of the latter. The simple answer to this argument was well stated by Judge Aldrich in *Denis*, 142 F. Supp. 259, 261-262 (D. Mass. 1956):

> "While one may have a partial orchiectomy, 'partial emasculation' is incorrect, both semantically and logically. The fact that a statute may mean less than at first appears is not to say that it is without force. The second clause has a clear purpose where defendant is an individual or a partnership. An interpretation rendering a statute meaningless is, of course, to be avoided, but I know of no doctrine of general construction that requires an unexpressed exception to be read into one section merely to broaden the meaning of another."

See also Judge Clark's remarks to similar effect (R. 11). It is true this construction makes the second alternative of § 1400(b) inapplicable to corporations, but this was necessary unless, with widening by § 1391(c) of general corporate venue, patent venue was for the first time in history to emerge narrower than general. This interpretation makes further sense because it preserves very neatly with respect to individuals and partnerships just the sort of relatively broader venue for patent suits that has been characteristic of our judicial system since the 1897 Act first gave patent venue special treatment. As Judge Clark pointed out, an alternative clause in the Jones Act which raises this same issue has not prevented uniform reading of § 1391(c) therewith (R. 11).

Then it is urged that codifications do not produce any change of law in the absence of "positively expressed Congressional intent to the contrary." (Pet. Br. 10). But the 1948 Judicial Code was a revision, not just a codification; the distinction was emphasized more than once.[75] Secondly, it seems hardly sound to suggest that a "positively ex-

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[75] *Supra*, footnotes 52, 54, pp. 33, 34. See also, H. R. Report No. 308 (Code Cong. Serv. Pamph., p. 1693).

pressed Congressional intent" may not be found in the simple language of the statute. Mr. Justice Jackson's language in *Schwegmann Bros.* v. *Calvert Corp.*, 341 U.S. 384, 396 (1951), seems appropos:

> "The Rules of the House and Senate, with the sanction of the Constitution, require three readings of an Act in each House before final enactment. That is intended, I take it, to make sure that each House knows what it is passing and passes what it wants, and that what is enacted was formally reduced to writing. It is the business of Congress to sum up its own debates in its legislation. Moreover, it is only the words of the bill that have presidential approval, where that approval is given. It is not to be supposed that, in signing a bill, the President endorses the whole Congressional Record."

Finally, in addition to arguments previously set forth and applicable here (e.g., with respect to the greater change clearly made in § 1391(c) itself), the choice open is not one between change and no change, but rather between a change in the letter of the pre-1948 rule and a change in the basic sweep of Congressional patent venue policy.

It is argued that a special statute controls a general. But this begs the real question of "what does the special section mean?" See also Judge Aldrich's remarks in *Denis* (142 F. Supp. 259, 262) quoted *supra*, p. 21.

Petitioner urges that reading § 1400(b) with § 1391(c) "violates the plain language of the recodified service of process Section 1694." (Pet. Br. 5, 24-25). But the language of § 1694 takes us no further than that of the second

alternative of § 1400(b):[76] — both make perfect sense as applied to individuals and partnerships, even though no longer meaningful for corporations. Perhaps underlying petitioner's argument is a mistaken assumption, reflected in the heading referring to "Section 1694 Which Controls Service of Process in Patent Infringement Cases . . ." (Pet. Br. 24). Of course, § 1694 is *not* exclusive in patent infringement cases, despite its origin in a common statute with § 1400(b). Process in such cases is proper under either Federal Rule of Civil Procedure 4(d)(3) or 4(d)(7), the latter of which makes applicable even state-authorized procedures. We suggest that the real significance of § 1694 is rather less than support for petitioner's position. For if that section is to be supplemented by provisions in no way referred to, it seems not unreasonable that § 1400(b), with a common origin in the same special statute, be read with a general definition explicitly keyed thereto.

If the Ruling of the Court Below Is Not Upheld, the Case Should Be Remanded with Instructions to Rule on the Question of the Commission of Acts of Infringement in the Southern District of New York

The court below expressly refused to pass on the trial judge's ruling with respect to the absence of local acts of infringement in the Southern District of New York (R. 6). If the Court should disagree with the court below as to the proper interpretation of the first clause of § 1400(b), the decision should not be reversed in its entirety. The case should be remanded with instructions that the Court of Appeals review the ruling of the District Court on this question, since, admittedly, petitioner has a "regular and established" place of business in such district and the

[76] The same is true of elimination from the prior statute of "whether a person, partnership, or corporation" as "surplusage" (Pet. Br. 15, 24). Reviser's notes to § 1400 (Code Cong. Serv. Pamph., p. 1851).

second clause of § 1400(b) would plainly apply if infringing acts occurred.

Conclusion

For the foregoing reasons we submit the judgment below should be affirmed, or, in the alternative, the case should be remanded for further findings as stated above.

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